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No Solution To Croat Crisis at Talks

LD2202233993 Belgrade TANJUG in English 2321 GMT 22 Feb 93

[Text] New York, Feb 22 (TANJUG)—Negotiations between delegations of the Republic of Serb Krajina (RSK) and high U.N. officials ended on Monday [22 February] without a firm solution for the crisis created by Croatia's aggression on the U.N.-protected territory.

Both sides said agreement on many questions had been achieved. However, TANJUG was told by RSK President Goran Hadzic, the problem remained unresolved who would control the so-called 'pink zones' after the withdrawal of Croatian forces from territories they have occupied.

Croatia on January 22 launched an aggression on the southern part of the RSK, and continued attacking the territory in spite of condemnation by the international community and a U.N. Security Council resolution demanding that it withdraw its forces to positions they occupied before January 22.

The RSK was formed by Serbs in 1991 in areas inside the administrative borders of Croatia where they are the majority population in protest over Croatia's secession from Yugoslavia and the degradation of their status in its new constitution from a nation to a national minority.

The Croatian delegation, which did not meet directly with RSK representatives here, is demanding that the pink zones be placed under the control of U.N. peacekeepers, while the Krajina Serbs say their own civilian administration must be restored in them.

The RSK delegation exhibited good will by accepting U.N. control after the Croatian withdrawal of the Peruca Dam, the Maslenica Bridge, the Zemunik Airport and all heavy weapons.

Any other concessions would mean rewarding Croatia for its aggression, Hadzic said, adding that talks on contentious issues would continue in Geneva, probably later this week.

Krajina Asks For Exemption From Sanctions

LD2202232693 Belgrade TANJUG in English 2304 GMT 22 Feb 93

[Text] New York, Feb 22 (TANJUG)—The president of the Republic of Serb Krajina (R.S.K.), Goran Hadzic, on Monday [22 February] appealed to U.N. Secretary-General Butros Butros-Ghali for help to prevent that this U.N.-protected territory should suffer indirect consequences from economic sanctions clamped last may on the Federal Republic of Yugoslavia.

In his letter to Butros-Ghali, Hadzic said that the U.N. Protection Force (UNPROFOR) last December stopped issuing export and import permits to R.S.K. firms, putting them in an extremely difficult position, although the sanctions against the new Yugoslavia do not apply to the U.N. protected areas.

Hadzic proposed that a border crossing be opened between the R.S.K. and Hungary at Beli Manastir, to permit a direct transport of goods and avoid the necessity of transit through Yugoslav territory.

EC: Hague Court Should Deal With Gabcikovo

AU1902191093 Prague CTK in English 2047 GMT 16 Feb 93

[Text] Brussels Feb 16 (CTK correspondent)—Pablo Benavides, chief delegate of the European Community (EC) to the Slovak-Hungarian-EC talks on Gabcikovo, today told CTK that as the two parties concerned insist on their stands, further talks in the present form would be unproductive.

Benavides was speaking after today's talks in Brussels. He said that the EC thinks that Slovakia and Hungary should immediately confirm their pledge to lodge the dispute with the Hague-based International Court of Justice.

The EC is aware of Slovakia's energy needs which must be taken into consideration in resolving the Gabcikovo issue, Benavides said.

He said this is a new element in the talks, and added that the conflict could be solved through the PHARE [Economic Reconstruction Aid for Hungary and Poland] programme or within projects of the European Bank for Reconstruction and Development (EBRD).

Benavides expects Gabcikovo to be also discussed during Slovak Premier Vladimir Meciar's visit to Brussels next week.

Gabcikovo is part of a Czechoslovak-Hungarian hydroelectric project which started to be built on the Danube in 1978. In 1989 Hungary stopped work on its side at Nagymaros, citing environmental reasons. Czechoslovakia continued construction work and put Gabcikovo into operation in October 1992, drawing sharp criticism from Hungary. After the split of Czechoslovakia on January 1, 1993, the Czech Republic said it recognises Slovakia's full succession to the 1977 agreement on Gabcikovo-Nagymaros.

Tuchyna: FRG Exerting Border Pressure on Czechs

AU1902152193 Prague CTK in English 2030 GMT 17 Feb 93

[Text] Bratislava Feb 17 (CTK)—Slovak Interior Minister Jozef Tuchyna told journalists today that the Czech Republic's demand to introduce a generally accepted border regime on the new Czech-Slovak border runs counter to the Czech-Slovak agreement on visa-free relations.

He said this demand is a result of the pressure exerted on the Czech Republic by Germany. The Germans explain the need to resort to such measures by the fact that according to them part of the Czech Republic's frontiers is open, which makes it possible for unwanted persons to penetrate into Germany via the Czech Republic, Tuchyna added.

Tuchyna recalled that according to Czech Interior Minister Jan Ruml the usual border regime on the Czech-Slovak border will concern people from other countries but not Czechs and Slovaks. But how will a border guard or a customs officer know at first sight that it is a Czech or a Slovak who is crossing the border and not a national of a third country, Tuchyna asked.

He said that the Slovak Republic has no agreement with the Czech Republic providing for the installation of border posts. If the Czech Republic expresses the wish to conclude such an agreement it will be negotiated on the government level, he added. Tuchyna said he is going to meet Ruml on February 26.

The closure of the Czech border is the Czech Republic's business. We have had enough of the iron curtain, he emphasised.

Seiters Explains German View of Immigration Accords

AU1902152393 Prague MLADA FRONTA DNES in Czech 18 Feb 93 p 9

[Interview with German Interior Minister Rudolf Seiters by Emilie Harantova in Budapest; date not given: "The Bonn Government Wants To Reach an Agreement on Refugees"]

[Text] Budapest (From our own special correspondent)— At the conclusion of the [15-16 February] European conference in the Hungarian capital on illegal immigration, German Interior Minister Rudolf Seiters gave an interview to MLADA FRONTA DNES.

[Harantova] In your opinion, what are the prospects for concluding a bilateral treaty with the Czech Republic on refugees?

[Seiters] My colleague Jan Ruml has informed me that the Czech Republic wants first to invite Slovakia, Austria, Poland, and Hungary for bilateral talks. At these meetings the Czechs want to find out the views in these countries on this situation. After these meetings, which I consider very important, the talks will continue between Bonn and the Czech side.

[Harantova] Because of that, is there a chance that the relevant agreements could be concluded before the German constitution is changed?

[Seiters] I have stressed several times that I can see no connection between the treaty with the Czech Republic and the change in our Constitution. Even the opposition in Germany can see that we are constantly trying to negotiate with the countries involved in this problem. Even before the Budapest conference, we had suggested that bilateral talks be conducted within its framework. There were quite a number of them. We are making great efforts to conclude a treaty with Poland, and immediately after the meeting in Prague talks will follow with the Czech Republic.

[Harantova] What specific financial and economic solutions can Bonn offer to make it possible to conclude treaties with Poland and the Czech Republic as quickly as possible?

[Seiters] I firmly believe that we will reach agreement with the Polish side soon. It is in Poland's interests, anyway. The Poles cannot be interested in our sending refugees to them, refugees they cannot provide for. For the time being, I cannot tell you specifically what our financial help would look like. We have certain ideas and the Poles have their own. In any case, they promised they would be more specific before the talks in March.

[Harantova] Do you believe the treaty with Poland will speed up the treaty with the Czech Republic?

[Seiters] The Czech sides said unequivocally that it wanted a treaty with us, but it prefers a multilateral solution, that is, the existence of corresponding treaties with the neighboring countries. You are interested in a all-encompassing pan-European solution of the immigration problem. However, discussions with the Czech delegation were so partnerlike and constructive that I believe we could reach an agreement. I hope so. I do not want to say more.

[Harantova] Could you give us some timeframe for this treaty, whether bilateral or multilateral?

[Seiters] Talks with Poland and the Czech Republic are in a very specific stage now, and I assume they will proceed smoothly. I do not want to give any deadlines, however.

[Harantova] Does Bonn anticipate that some pressure will have to be applied to Romania and Bulgaria to join the treaty on receiving their citizens back?

[Seiters] We would certainly not want to exert pressure. This conference, however, stressed the need for treaties by which a state should accept back its own citizens. Not even in the EC or other bodies was this shown as clearly as in Budapest. This has created a good starting position for the bilateral talks we are now going to have.

Agreements Must Be Signed Before Property Treaty

AU2202143493 Prague CTK in English 2029 GMT 18 Feb 93

[Text] Prague Feb 18 (CTK)—The framework treaty on the division of property between Czech and Slovak Republics will be concluded only after a series of partial agreements is signed, Czech Finance Minister Ivan Kocarnik said today after a meeting of the Czech Commission on Property Division which he chairs.

It does not make sense to have a framework agreement without partial ones, the minister stressed. Originally, it was believed that the large agreement could have been signed without some of the small ones. However, due to new, unexpected demands from the Slovak side, which it promised to forgo, the partial agreements must come first, Kocarnik said.

Negotiations are under way on the division of the natural gas pipeline between the Czech Industry Minister Vladimir Dlouhy and Slovak Economics Minister Ludovit Cernak. The fact that the agreement on the pipeline has not yet been finalised is very disturbing to Kocarnik.

Daily Analyzes Breakup Impact on Border Towns

AU1902163093 Prague CTK in English 1237 GMT 18 Feb 93

[Text] Prague Feb 18 (CTK)—While government delegations shuttled between Prague and Bratislava last year, severing the administrative bonds of the Czechoslovak Federation, residents of border towns in Moravia and Slovakia wondered what the split would mean for their intertwined communities, where family and business ties run across both sides of the border.

Nothing much seemed to change after the January 1 velvet divorce. Agreements between the newly-independent Czech and Slovak Republics permitted the free movement of people, and the two countries were to retain a joint currency for at least six months. A few hastily-installed border posts functioned as perfunctory check-points.

All that changed this month. The sudden currency division, conducted in the first week of February has solidified the border between the two republics and entangled border towns in an administrative mess which has already had an impact on the local economy.

The Czech daily LIDOVE NOVINY today reports the case of Daniel Strilka, whose house lies on the Czech-Slovak border. Strilka receives his electricity from Slovakia, but gets natural gas for cooking and heating from the Czech Republic. The question is, how will he pay his bills?

Broadening out from individual cases, the currency division affects a whole range of businesses which form the life blood of border communities. Some enterprises now have buildings which straddle both republics, and most employ both Czechs and Slovaks, who must cross the border twice a day to attend work.

Banks in Hodonin, South Moravia, have already devalued the Slovak crown by 10 percent, anticipating a similar official move, LIDOVE NOVINY reports. The result is that many stores which depended on customers coming from neighbouring Slovak villages now find themselves empty. One grocery store has already closed, when the owner said he could not afford to transport goods from Hodonin to a village about five kilometres across the border, via a customs office over 30 kilometres inside Slovakia. One solution would be to add new posts right on the border, but the Customs Bureau, it seems, has other problems, and more eagerly cuts off forest paths running across the border instead of establishing new crossings, the paper writes.

In view of this, locals now fear the cancellation of an agreement between the two republics on visa-free traffic across the border, which currently permits Czechs and Slovaks not importing or exporting goods to cross the border at will with no documents. Many villages lying on the border are only accessible from one side, LIDOVE NOVINY writes, and no one can really imagine the implementation of a normal customs regime, remarking, a customs post cannot stand on every forest foot path.

Soldiers posted on the border on the weekend of the currency division were greeted as unwelcomed guests, the Czech paper reports. Most in the region would prefer to put Czechoslovakia back together, even though they know it is not a real option, it concludes.

Rumors on Serbian Embargo Violation Denied

AU2202155793 Tirana ATA in English 0926 GMT 22 Feb 93

[Text] Tirana, February 22 (ATA)—Nearly 10 days ago the news of the financial police of Elbasan spread in Tirana. According to it, 10 trucks with a cargo of 200 tons urea, which were blocked, were let to go. They were driven by Serb drivers and had Serb number plates. The news reported that the trucks were blocked in order to observe the destination as there were suspects of violation of the embargo imposed on Serbia. The trucks were loaded with urea in the nitrate plant of Fier after a contract reached with the Slovenian firm Tika.

Following this news, Andon Dema, director of Nitrate Fertilizers Plant in Fier, and Thoma Bicolli, director general of Albanian Customs, granted an interview to the TV to throw light on this news. They declared that the news was inaccurate. After the control made, it came out that the number and the drivers were not Serbian. The vehicles belonged to the Park of Trebinje in Bosnia-Hercegovina and the drivers had papers which allowed them to pass through European countries. These controls have been made in the presence of the specialists of the European Community who are in Albania to observe the embargo towards Serbia. So the vehicles had to pass since everything was correct and there was not any violation of the embargo. The drivers were recommended to go to Slovenia following the itinerary Elbasan, Qafe e Thanes, Macedonia, Bulgaria, Romania, Hungary.

Union Leaders Brief Government on Workers' Concerns

AU2202151093 Tirana ATA in English 0913 GMT 22 Feb 93

[Text] Tirana, February 22 (ATA)—On February 21 upon the request of the government, the Council of Ministers discussed the requests forwarded by the Union of Independent Trade Unions of Albania and the Oil Independent Trade Unions to complete the legislation on work, trade unions, enterprises, social assistance, structure of wages, prices, etc.

They discussed the problems forwarded by the trade unions and treated some requests in regard to the laws endorsed recently by the parliament, such as the sharp socioeconomic problems related to the wages, prices, assistance, and requested to reach the working contracts in March.

The government representatives considered right the requests of the trade unions.

In the end it was decided to start the meeting again on February 23, 1993. It will be attended by the respective ministers and will decide upon the problems forwarded by the Independent Trade Unions of Albania and the Oil Independent Trade Unions.

Following the negotiations with the trade unions, the Council of Ministers will adopt the respective decisions.

Newspaper Poll Shows Majority Side With Berisha

AU2102155093 Tirana ATA in English 1123 GMT 21 Feb 93

["Poll of the Newspaper REPUBLIKA on the Open Letter of the Academician Rexhep Qosja to President Berisha"—ATA headline]

[Text] Tirana, February 21 (ATA)—The newspaper REPUBLIKA publishes the result of a poll organized with 200 persons of various ages and trades about the open letter of the Academician Rexhep Qosja sent to President Sali Berisha.

According to these results, 64 percent of the participants in the poll said Rexhep Qosja was not right, 8 percent say he was completely right, 5 percent say Rexhep Qosja is partially right, 9 percent said Rexhep Qosja should not address to President Sali Berisha through a public letter, 6 percent replied Rexhep Qosja should not have fallen into the trap of the communist paper ZERI I POPULLIT, 4.5 percent were indifferent to replying, and 3.5 percent did not know that Rexhep Qosja had sent an open letter to President Berisha.

Civil Defense Drafts Nuclear Accident Plan

AU2302073893 Sofia BTA in English 2021 GMT 22 Feb 93

["Today"—BTA lead]

[Excerpts] Sofia, February 22 (BTA)—The Bulgarian Civil Defense Corps have drafted a special national plan for reaction to a possible accident at the Kozloduy Nuclear Power Plant (on the Danube), the head of the Civil Defense Corps, Colonel Nikola Nikolov told a news conference today. The plan will be submitted for approval before the cabinet after it is coordinated with the individual ministries. The nuclear power plant is only one potential source of accidents which could necessitate the intervention of the Civil Defense Corps (there are over 200 chemical industrial enterprises and about 400 units which use radioactive sources in Bulgaria). The danger of elemental calamities originates from the existence of three seismic areas and another nine seismic focuses in the territory of this country. The Civil Defense Corps registered 17,000 accidents last year, which caused the death of 60 people and inflicted material damages amounting to about 1,000 million leva, Colonel Nikolov added.

Units Three and Six of the Kozloduy N-plant are still being checked, the head of the Public Relation Department at the nuclear power plant, Mrs. Yordanka Stoyanova told BTA today. She thus denied certain allegations in the press, according to which the units' check was completed. The two units are now being checked by commissions of the Committee for the Peaceful Uses of Atomic Energy. The deadlines for repairs and trial runs expire in late February. Three units (of an aggregate capacity of 1,800 MW) of the Kozloduy N-plant are operating at full capacity at present.

"All necessary measures have been taken to enhance the protection of the Kozloduy N-plant because of its relative closeness to the former Yugoslavia," the chief of the National Electricity Company, Mr. Dyanko Dobrev told REUTER today.

Early this morning, an anonymous telephone call warned that an explosive device was planted in the building of the Posts and Telecommunications Committee, the Interior Ministry Press Office reported today. The building was thoroughly searched by Interior Ministry officials but no such device was founded. For reasons of safety the committee's leadership decided to close the buildings for 24 hours. The telegram, telephone, parcel and letter posting services will be open tomorrow, the Posts and Telecommunications Committee specified before BTA.

The chief of the Bulgarian Intelligence Service, Major General Brigo Asparukhov, was to appear before a panel of the Third District Court in Sofia today but a telephone bomb-hoax prevented him from doing so. Legal action was brought against the Bulgarian Intelligence Chief by Mr. Luchezar Tasev, former intelligence officer, whom Gen. Asparukhov had dismissed. Mr. Tasev is suing Gen. Asparukhov for having discredited him before his colleagues. Mr. Tasev's claim is for 100,000 leva.

In a statement on Radio Plovdiv (Southern Bulgaria), the leader of the Regional Movement for Rights and Freedoms (DPS), Mr. Fikret Sepetchi expressed concern over the fact that officials of the Podkrepa Labor Confederation were holding key positions in the executive branch. As such he pointed out the Plovdiv mayor and the newly elected regional governor, BTA's local correspondent reported today. According to Mr. Sepetchi, this trade union amalgamation sought the dismissal of the incumbent chief of the Regional Directorate of Internal Affairs and the replacement of undesirable executives of local companies, subject to privatization.

A Balkan Trade Union Federation of Miners was established in Madan (Southern Bulgaria), BTA's local correspondent reported today. It was set up by the Podkrepa Miners' Federation and related trade union federations of miners in Turkey and Albania. [passage omitted].

The Bulgarian Social Democratic Party (BSDP) intends to establish a Social Democratic Coalition or Union and the constituent meeting will probably be held in late March, the BSDP leader, Mr. Petur Dertliev told a news conference today. The new formation is expected to attract several factions of social democratic orientation, which broke away from the Bulgarian Socialist Party (BSP), on the one hand, and right-wing orientated organizations like the Green party, for instance, on the other. The future coalition could include smaller parties, too, but these should be parties with definite political character and not phantom organizations, Mr. Dertliev said. [passage omitted].

The officers of the Bulgarian Army could apply for transfer to other garrisons, armed forces, ministries and departments or apply for discharge by March 31, the Defense Ministry reported today. The applications for discharge filed by February 22 are mostly motivated by: Low wages, discrepant with the amount of risk and material responsibility, low public prestige of the officer's service, family problems arising from low salaries, unsettled housing problems, overwork, lack of employment for officers' wives, expiry of the 10- year term, poor career prospects of the officer's service and poor health.

Negotiations With EFTA Open in Geneva

AU2202193593 Sofia BTA in English 1655 GMT 22 Feb 93

[Text] Sofia, February 22 (BTA)—Bulgaria and the European Free Trade Association (EFTA) opened the third round of negotiations on a free trade area agreement in Geneva today, the Foreign Ministry said. The Bulgarian delegation is led by Deputy Trade Minister Stanislav Daskalov and includes experts of the ministries of foreign affairs, trade, industry, finance and agriculture.

Farm trade protocols will be agreed at bilateral negotiations with the EFTA countries, due to be held between February 22 and 24 because, unlike the EC, EFTA has no common agricultural policy, the Foreign Ministry press release said. The negotiators will meet in plenary sessions between February 24 and 26 to agree on the wording

Finance Minister Reports on IMF Negotiations

AU2202210693 Sofia BTA in English 1902 GMT 22 Feb 93

[Text] Sofia, February 22 (BTA)—The International Monetary Fund [IMF] is seriously worried about the budget deficit of 7.9 per cent or 27,000 million leva projected by the Bulgarian Government, the IMF sees three ways for reducing it: Cutting down expenditure, increasing prices and taxes, liberalizing the prices of electricity, fuel and some services, especially of telecommunications, Minister of Finance Stoyan Aleksandrov told the Council of Ministers' Press Service today. He informed the mass media about the results of the talks which a Bulgarian delegation had with representatives of the IMF and the World Bank in Washington last week. According to the IMF, taxes in Bulgaria are still low and there are too many preferences in the field of taxation, the finance minister said. The talks on the basic parameters of Bulgaria's 1993 budget and further cooperation with the IMF will be resumed on March 8 in Sofia.

Minister Aleksandrov's visit to Washington was mainly of informative character. Negotiations will be held next month in Sofia on the possible conclusion of a two-year stand-by arrangement which, as both Minister Aleksandrov and the IMF officials believe, has certain advantages over a one-year one. The possibility of signing a three-year arrangement has not been mentioned at all. The IMF stressed the necessity of accelerating the Bulgarian structural reform.

World Bank Officials Visit To Discuss Loans

AU2202193393 Sofia BTA in English 1644 GMT 22 Feb 93

[Text] Sofia, February 22 (BTA)—The World Bank Regional Director for Bulgaria, Mr. Michael Wiehen, is visiting Sofia from February 22 through February 24, the World Bank office in Bulgaria reported today. Mr. Wiehen will hold talks with cabinet ministers and National Bank of Bulgaria (BNB) officials on the implementation of the World Bank projects for Bulgaria and their future cooperation.

A world bank mission paid a two-week visit to Sofia in early February. The BNB experts and the newly elected Bulgarian Government discussed interest policy, legislation, the participation of the state in privatization and the meeting of conditions for the allocation of the second tranche of the Structural Adjustment Loan (SAL).

So far, Bulgaria has received 167 million U.S. dollars in World Bank loans. The second SAL tranche amounting to 100 million U.S. dollars will be released by the end of February, Mr. John Wilton, resident representative of the World Bank in Bulgaria, announced recently. Negotiations on a 93 million dollar loan for Bulgarian power engineering and a 30 million dollar loan for telecommunications are already underway. A new private investment and Export Financing Project (PIEF) project is expected to be agreed in the next few months. It will provide 75 million U.S. dollars in loans to Bulgarian banks and another 150 million U.S. dollars in investments to private and state-run enterprises and financing for Bulgarian exports.

No Involvement Recommended in Gabcikovo Dispute

AU1902184293 Prague CTK in English 1951 GMT 17 Feb 93

[Text] Prague, Feb 17 (CTK)—The Czech parliament Chamber of Deputies' Constitutional and Legal Committee today recommended that the Czech Republic do not succeed to the Czechoslovak-Hungarian agreement of 1977 on the Gabcikovo-Nagymaros hydroelectric project on the Danube.

The Committee also recommended that the Chamber do not address to Slovakia any property claims to the joint Czech-Slovak investments made into the project.

The controversial project started to be built in 1978, but in 1989 Hungary stopped work on its side at Nagymaros citing environmental reasons. The former Czechoslovakia continued construction work at Gabcikovo, South Slovakia, which was put into operation last October, drawing sharp criticism from Hungary.

On Tuesday [16 February], the European Community (EC) recommended that the dispute be resolved by the Hague-based International Court of Justice. Czech Deputy Foreign Minister Pavel Bratinka said that if the Czech Republic succeeded to the agreement, it would get entangled in dispute with Hungary. This would burden mutual relations which Bratinka called good.

He said that the 1977 agreement was approved by the then Czechoslovak parliament and therefore the Czech parliament must say its word on the succession question.

He recalled the Slovak Foreign Ministry's note of January 4, 1993, in which Slovakia proposed that both favourable and unfavourable balance related to the commitments stemming from the agreement be fully transferred to the Slovak Republic.

Economics Minister Dyba Visits United States

AU2202141293 Prague CTK in English 1103 GMT 20 Feb 93

[Text] New York, Feb 20 (CTK correspondent)—Czech Economics Minister Karel Dyba, on a working visit to the United States, on Friday [19 February] acquainted executives of big U.S. and Japanese companies with the implementation of economic reforms in the Czech Republic.

He told CTK that representatives of J.P. Morgan, City Bank, Goldman Sachs, Japan Development Bank, and other companies were interested in the political aspects of economic transformation, relations between the Czech and Slovak Republics, and in the privatization of the energy industry.

Representatives of the Chemical Bank were interested in financing Czech exports to China and Southeast Asia. Such cooperation would be attractive for big Czech enterprises, like the CKD Prague and Skoda Plzen heavy engineering producers, Dyba said.

Chemical Bank is also interested in capital participation in the Czech Energy Utilities (CEZ) and other companies, Dyba added.

At New York's Columbia University, Dyba gave a lecture on privatization in the Czech Republic. In addition to students, the lecture was also attended by lawyers from the big companies which are operating in the Czech Republic and other postcommunist countries.

Dyba said that the situation in the Czech Republic differs from the other countries of the former Soviet Bloc in that some stages of economic reform have already been completed. He cited mainly small privatization or privatization of shops, small businesses and services, and the first round of coupon privatization.

Nixon Meets With Premier Klaus, Hails Achievements

LD2002192693 Prague CTK in English 1616 GMT 20 Feb 93

[Text] Prague, Feb 20 (CTK)—Former U.S. President Richard Nixon takes the view that the Czech Republic has made the biggest progress of all post-communist countries in transformation, Czech Premier Vaclav Klaus said after a meeting with Nixon today.

He added that Nixon thinks the Czech Republic should not try to build anything between east and west, but should strive for the fastest possible integration into west. On a short private visit to Prague, Nixon, 80, is also scheduled to meet with Czech President Vaclav Havel and Foreign Minister Josef Zieleniec.

Nixon is currently touring several former communist countries as honorary president of the U.S. Fund for Democracy and Development. Before he arrived in Prague, he visited Ukraine, Russia and Poland. Nixon is trying to secure western investments for the postcommunist countries.

His latest private visit to the former Czechoslovakia took place in October 1989, just before the fall of the communist regime in the country.

Nixon Calls Reforms 'Successful'

LD2002175293 Prague CTK in English 1723 GMT 20 Feb 93

[Text] Prague, Feb 20 (CTK)—In his meeting with Czech President Vaclav Havel today, former U.S. President Richard Nixon praised the reforms, which are being implemented in the Czech Republic, head of the Czech Presidential Office foreign political department Pavel Seifter told CTK. Comparing them with what he had seen in Ukraine, Russia and Poland, Nixon called the reforms successful, Seifter said.

Nixon also met with Czech Foreign Minister Josef Zieleniec. Speaking with journalists after the meeting with Havel, Nixon said he visited the Czech Republic and not Slovakia because he had visited Prague during his previous visits, and he wanted to see it once more, as a free city.

But he assured journalists that next time, he will visit Bratislava, the capital of Slovakia, as well.

Nixon said that had he enough money to invest in Prague, he would choose tourism. [Prague Radiozurnal Radio Network in Czech at 1700 GMT on 20 February, in a report on former President Richard Nixon's meeting with Czech President Vaclav Havel, adds that "During the meeting with Czech President Vaclav Havel in Prague today former U.S. President Richard Nixon expressed admiration for the reform in the Czech Republic. Richard Nixon, who arived for a short visit, was received also by Premier Vaclav Klaus."]

Zieleniec on Talks With Nixon

LD2002193493 Prague Stanice Praha Radio Network in Czech 1730 GMT 20 Feb 93

[Excerpts] As we have already informed you, during his private visit to Prague today former U.S. President Richard Nixon also met with [Czech] Foreign Minister Josef Zieleniec. After the end of their meeting Josef Zieleniec was interviewed by Katerina Kasparova:

[Begin recording] [passage omitted] [Kasparova] Richard Nixon is a highly regarded expert in the foreign policy sphere. What is his view of our foreign policy?

[Zieleniec] We have of course not gone into details. We concentrated on discussing our unequivocal orientation toward the west, our unequivocal orientation toward the defense alliance with the west and the United States. In my view, this is something he wanted to be assured about. It is natural that being a supporter of the U.S. presence in Europe, suporter of the U.S. responsibility for what is happening also in this part of the world, he wanted to know whether there is an appropritate response on the other side. I think that this was a meeting of two matching concepts. I think he was pleased to hear this. [passage omitted]

[Kasparova] How would you characterize your meeting?

[Zieleniec] Former President Nixon does not represent the state administration and thus the meeting had an informal character. For me it was something to remember because since my youth I have perceived President Nixon as the symbol of the United States' committed policy, the symbol of a person who does care what is happening in the world, the symbol of a person who was aware of the responsibility of those living in the free world for us who lived in the world where freedom was lacking. [passage omitted] [end recording]

Klaus' Attitude Toward Press Criticized

AU2202141893 Prague CTK in English 1333 GMT 20 Feb 93

[Excerpt] Prague, Feb 20 (CTK)—[passage omitted] In LIDOVE NOVINY, Jiri Hanak reflects on Czech politicians' attitude to the press. He recalls that Czech deputy premier, agriculture minister, and chairman of the Christian Democratic Union-Czechoslovak People's Party (KDU-CSL) Josef Lux recently said he may forbid his children watching television. The box (meaning the TV set) allegedly emits only bad, disarming news.... Mr.deputy premier has probably brought from the former National Front (communist-controlled institution grouping political parties and civic organizations until November 1989—ed.), of which his party was one of the most loyal members, special criteria to be used to judge the value of news, Hanak says.

Premier (Vaclav) Klaus, it seemed, addressed the problem cunningly. In fact, however, he has been hit with acute poisoning with Meciarism. Journalists should give up the method of investigative journalism to the benefit of constructive journalism, Hanak says and adds that Slovak Premier Vladimir Meciar calls this autoregulation. To see what is good, not to see what is bad, and what is most important, not to poke around, that is to say not to investigate... pray and work, that is what used to be said earlier. And let us rule. A noble idea. Had it been applied in the United States, nobody would have ever learnt about the Watergate affair, Hanak says. [passage omitted]

Klaus, Meciar Said To Have Same Views About Press

AU2202143293 Prague CTK in English 1824 GMT 18 Feb 93

[Text] Prague, Feb 18 (CTK)—The Czech and the Slovak premiers, Vaclav Klaus and Vladimir Meciar, approach the press like censors which is inadmissible, Jiri Svoboda, chairman of the Communist Party of Bohemia and Moravia (KSCM), said today.

He said that Meciar has spoken about ethical autoregulation while Klaus has become famous for his statement of February 11 that he is dreaming of 'constructive journalism' prevailing over the 'investigative' one.

Klaus was reacting to an allegation by the Czech political weekly RESPEKT that Petr Cermak, the executive deputy chairman of his Civic Democratic Party (ODS), has employed in the ODS Secretariat former Czechoslovak Interior Ministry staffers and that legal proceedings against one of them were started at the end of the 1980's for fraud. Cermak was federal interior minister until December 31, 1992, when the Czechoslovak Federation ceased to exist.

Svoboda said that Klaus probably did not want to use Meciar's vocabulary and so consulted Marxism-Leninism handbooks. We remember, for instance, the term 'constructive criticism' from speeches by the former chief ideologue of the Czechoslovak Communist Party Central Committee, Jan Fojtik, Svoboda said.

He said that if signals of the government coalition's inappropriate interference with the media's independence are growing, the KSCM will propose to set up a documentary centre to prepare material for the World Conference on Human Rights' and Freedoms' Observance to be held in Vienna in June.

The KSCM is part of the opposition Left Bloc which has 35 seats in the 200-seat Chamber of Deputies of the Czech parliament.

Police Reveal Origin of Uncovered Weapons Caches

AU2202141593 Prague CTK in English 1834 GMT 19 Feb 93

[Text] Prague, Feb 19 (CTK)—Submachine guns, which were discovered in several storage places around Prague this week, belonged to the now defunct Communist Party-run Organization for Cooperation with the Army, SVAZARM, military and Prague police investigators confirmed the weapons' origin today.

Spokesman for the Military Police Miloslav Cech denied that the weapons previously belonged to the Army or to the also defunct communist paramilitary group, the People's Militia. He added that the submachine guns were not stolen at any point.

These weapons were intended for scrap by the Army but SVAZARM was allowed to purchase them from our repair shops as being incapable of firing, Cech said.

Weapons experts are currently trying to precisely ascertain how easily the weapons could be made fully operational. However, the Army now believes that only weapons technicians would be able to readapt these weapons provided they possess necessary spare parts, he added.

That statement was disputed by the Chief of the Prague Police Investigations Office Richard Malecek who said that not all the weapons were disabled and the remainder could be made capable of firing with only a slight effort.

Government Office Head Calls Accusations 'Ungrounded'

AU2202141193 Prague CTK in English 2047 GMT 19 Feb 93

[Text] Prague, Feb 19 (CTK)—Czech Government Office Head Jiri Kovar from the Civic Democratic Party (ODS) today said he has been profoundly hurt by the ungrounded accusations leveled against him recently.

In a statement given to CTK, Kovar said that attacks against him have been appearing in the press since preparations for the ODS congress, which was held in November 1992.

The campaign culminated with an article carried by the Czech daily CESKY DENIK on February 17 which accused Kovar of blackmail, of threatening some ODS legislators and the ODS Audit Commission, and of a potential misuse of personal notes from Klaus-Meciar talks, Kovar says in the statement.

He stresses that any notes from the talks between the Czech and Slovak premiers, Vaclav Klaus and Vladimir Meciar, after the June 1992 elections can be misused, also because all that was agreed in them has been realized since. Moreover he did not take part in the Klaus-Meciar talks, but in the talks of the delegations of the ODS and Meciar's Movement for a Democratic Slovakia (HZDS), Kovar says in the statement.

Poll Shows ODS Would Win If Elections Held Today

AU2202141793 Prague CTK in English 1234 GMT 19 Feb 93

[Text] Prague, Feb 19 (CTK)—Were parliamentary elections to be held in the Czech Republic today, the ruling Civic Democratic Party (ODS) would be the odds-on favorite, according to the latest poll by the Institute for the Study of Public Opinion.

The poll, conducted February 2-8, surveyed 779 Czech citizens, asking them if they would go to vote, were elections to be held next week, and if so, the poll asked them to reveal whom would they vote for.

Some 41 percent of those polled said they would definitely vote, while 30 percent said they likely would. Of these, 32 percent would cast their ballot for Premier Vaclav Klaus' ODS party. Second came the Civic Democratic Alliance (ODA), with a mere nine percent. The Left Bloc (LB) garnered eight percent, the Czechoslovak Social Democratic Party (CSSD) received 7 percent and the far-right Assembly for the Republic-Czechoslovak Republican Party (SPR-RSC) got 6 percent.

The parties held the same order of preference among voters in the institute's December and November 1992 polls.

The ODS draws the strongest support from Prague and among young, university-educated people. The Left Bloc enjoys more support among older generations, as does the CSSD. The SPR-RSC gets most of its support from rural areas.

ODS Discusses Kovar Affair, Klaus Stand Unknown

AU2202141093 Prague CTK in English 1721 GMT 19 Feb 93

[Text] Prague, Feb 19 (CTK)—The leadership of the Civic Democratic Party (ODS) today discussed the case of the Czech Government Office Head and former ODS Deputy Chairman Jiri Kovar, ODS Spokeswoman Jana Petrova told CTK without giving any details.

According to information from other sources, Kovar's remaining in the post was not supported in the leadership, but the stand of the head of the party and Czech Premier Vaclav Klaus is not known.

The government office head is appointed and dismissed by the whole government.

The dismissal of Kovar, 29, has lately been called for by part of the domestic right-orientated press, especially the daily CESKY DENIK.

At the latest ODS congress last November, Kovar was accused of manipulation of screening materials of Jiri Honajzer, chairman of the ODS club in the Czech parliament, whom he allegedly wanted to compromise. The ODS leadership proposed Kovar for the post of ODS deputy chairman, but he withdrew his candidacy.

January Unemployment Rate Increases Reported

AU2202143693 Prague CTK in English 2152 GMT 18 Feb 93

[Text] Prague, Feb 18 (CTK)—The number of job applicants in the Czech Republic in January rose by 23,325 persons, an increase of 17.3 percent over December 1992.

With 158,113 persons unemployed at the end of January, the Czech Republic's unemployment rate increased to 3.01 percent.

Figures from the Czech Ministry of Labour and Social Affairs show that the highest relative increase was registered in Prague and in the Plzen, West Bohemia, region. But still the capital of Prague is the place with the lowest unemployment rate (0.51 percent).

Some 45 percent of job applicants (71,207 persons) were receiving state unemployment benefits in January.

Having dropped by 5,900, the number of job vacancies was 74,594 in January, including 55,608 workers' jobs. The number of workers' jobs dropped most markedly. There are on average 2.2 job-applicants per one job vacancy in the Czech Republic, while the ratio was 1.7-1 last December.

Klaus Accused of Hampering Central Bank Independence

AU2302081493 Prague CTK in English 0920 GMT 19 Feb 93

[Excerpt] Prague, Feb 19 (CTK)—[passage omitted] In connection with the case of Miroslav Kerous who has been proposed as a seventh member in the Czech National Bank's Banking Council, but has been rejected by Czech Premier Vaclav Klaus, LIDOVE NOVINY today writes: Czech President Vaclav Havel has de facto given up one of his most important powers, by sending Tosovsky, the bank's governor, with his proposal first to Czech Premier Vaclav Klaus.

The question remains whether or not Havel has at least been informed that Tosovsky's candidate was rejected by Klaus. In any case the premier's move has showed members of the Banking Council who has appointed them in reality. The daily says that the incident casts doubt over the independence of the bank's policy. It adds that Kerous was cast aside because in the past he was not sufficiently loyal to Klaus' government policy.

The president, who named the other six members of the Council, seems unwillingly to have deprived the Czech National Bank not only of a top expert but of a part of its independence, the daily writes.

Klaus Denies Accusations

AU2302081793 Prague LIDOVE NOVINY in Czech 20 Feb 93 p 3

[Statement by Prime Minister Vaclav Klaus: "Again Karel Kriz—Again a Piece of Untruth"]

[Text] On 19 February 1993, LIDOVE NOVINY published an editorial by Karel Kriz entitled "Banking Council." As is known, this week the president of the republic appointed (and the prime minister countersigned) six members of the Czech National Bank [CNB] Banking Council. The proposal had been submitted to the president by CNB Governor Josef Tosovsky. One position in the Banking Council was left vacant for the time being.

According to Karel Kriz, "by his veto (against a potential seventh candidate—Vaclav Klaus' note) the prime minister let members of the Banking Council clearly know who had really appointed them." Kriz claims, furthermore, that "Miroslav Kerous had to step aside because in the past he did not demonstrate sufficient loyalty to the government's (Klaus') plans." I must state the following regarding these claims:

— I have never seen the list of proposed Banking Council members;

— Governor Tosovsky consulted with me and other members of the government on whom to nominate for the Banking Council, which I consider to be only natural and loyal;

— Had it been up to me, I would have had greater objections to one of the appointed members than to Miroslav Kerous;

— I do not know anything about Miroslav Kerous ever demonstrating insufficient loyalty to the government's plans in the past (rather, I would take note of something completely different with respect to him);

— It is entirely worthless to conclude from all this that the central bank has been deprived of "a portion of its independence," as Karel Kriz does with an obvious goal.

Ex-Bank Official Confirms Disagreements

AU2302082093 Prague CTK in English 1238 GMT 20 Feb 93

[Text] Prague, Feb 20 (CTK)—In an interview with today's Czech daily MLADA FRONTA DNES, Vice-Governor of the Czech National Bank (CNB) Miroslav Kerous says the formal reason of his nonappointment a member of the bank's Executive Council is that he resigned from his post on Monday [15 February] (the Council was appointed on Wednesday). The informal reason is that CNB Governor Josef Tosovsky had told him that difficulties might accompany his candidacy. Some observers think that Czech Premier Vaclav Klaus, who cosigned the appointment of the Council, though the Czech Constitution requires no such cosignature (the Council is appointed exclusively by the Czech president), interfered with the constitution-guaranteed independence of the central bank. Klaus has resolutely rejected similar claims. Asked whether his opinions differ from Klaus's, Kerous said they did in some cases, but the number of cases when he held identical views is bigger.

Talks Halted Over Devaluation Disagreement

LD2202155093 Prague CTK in English 1429 GMT 22 Feb 93

[Text] Prague, Feb 22 (CTK)—Talks between the International Monetary Fund (IMF) and the Slovak Government were halted last Saturday [20 February] due to Bratislava's unwillingness to devalue the Slovak crown and meet other IMF demands, a Slovak Finance Ministry source said.

He said the IMF came to Slovakia with a set concept for the republic, which it had earlier applied in Bulgaria. This included currency devaluation and a so-called floating course for the Slovak crown. Slovak leaders, however, said the demands would be too stringent. The source said the republic did not feel itself to be a banana republic.

The IMF's permanent representative in the Czech and Slovak Republics, Jeremy Carter, told CTK that IMF representatives in Bratislava called for the meetings with the Slovak Government to be adjourned. Consultations should be renewed in a month, however, he added.

Expert Says Devaluation Would Improve Trade Balance

LD2202181593 Prague CTK in English 1749 GMT 22 Feb 93

[Text] Prague, Feb 22 (CTK)—A possible devaluation of the Slovak crown would harm Czech exports to Slovakia, but at the same time would help improve the mutual trade balance, Kamil Kdulak from the Czech Statistics Office told CTK today.

According to preliminary data, the Czech Republic's trade with Slovakia in 1992 ended up in a surplus of over 16 billion (Czechoslovak) crowns (approximately 533 million USD [U.S. dollars]).

Just before the division of the Czechoslovak Federation as of last December 31, the volume of mutual trade had declined markedly, Kudlak said.

He added that in view of the Czech surplus, the devaluation would have to be quite sizeable if the balance of trade were to be levelled out, but declined to quantify by how much.

Slovakia Accused of Withholding Budget Payments

AU1902134793 Prague LIDOVE NOVINY in Czech 17 Feb 93 p 8

[Interview with Finance Minister Ivan Kocarnik by "kk"; place and date not given: "Slovakia Deceived the State Treasury"]

[Text] ["kk"] In carrying out a detailed analysis of the collection of the turnover tax, your ministry found out that in December 1992 a mere 0.55 billion korunas were surrendered from the territory of the Slovak Republic to the joint revenues within the framework of the then federal budget, although a multiple of that sum used to be surrendered in the preceding months. Could you explain this in greater detail?

[Kocarnik] Let me first cite some figures illustrating the development of the collection of the turnover tax from the territory of the Slovak Republic in the closing months of the years 1991 and 1992 (all data are in million korunas)

	1991	1992
September	2,721	3,076
October	2,909	3,407
November	1,831	3,358
December	3,567	566

The above figures show a quite striking and conspicuous drop of tax collection in December 1992 in comparison with both the preceding months and the corresponding period in 1991. The fact that the period in question is distinguished by a high volume of pre-Christmas retail sales, which surely applied also to the year 1992, and that December 1992 was the last month of the federal budget's operation makes the above figures even more astounding.

["kk"] How does the Slovak Ministry of Finance react?

[Kocarnik] Slovak Minister of Finance Julius Toth said that his ministry would have to analyze and verify these facts first and that the sum in question cannot be returned just on the basis of the Czech Finance Ministry's estimates.

["kk"] When will the missing sum be returned and in which form?

[Kocarnik] The deadline and the method are the subject of negotiations. I will definitely insist on the outstanding sum being returned, which I have made clear to Minister Toth both orally and in writing.

Havel Meets Senior Army Officers, Baudys

AU2202142993 Prague CTK in English 1304 GMT 18 Feb 93

[Text] Prague Feb 18 (CTK)—Czech President Vaclav Havel met today with Czech Defence Minister Antonin Baudys and the Chief of the Czech Army General Staff Lieutenant General Karel Pezl to discuss the Army's envisaged restructuring.

Havel told journalists after the meeting that he was acquainted with the schedule of forthcoming changes in the Army and its future structure. Havel said that the major environmental task the Army is currently confronted with is to reduce the noise from some military aerodromes.

Havel said, however, that, in his view, many towns and cities in whose vicinity military airfields are situated start changing their opinion as far as the inconvenience caused by them is concerned. They are coming to realise that these aerodromes, often with combined military and civic air services, might foster business activities in their region.

Pittner Requests Bugging Report Publication

AU1902184693 Prague CTK in English 2048 GMT 17 Feb 93

[Text] Bratislava Feb 17 (CTK)—Ladislav Pittner, former Slovak minister of interior and current Christian Democratic Movement (KDH) parliamentary deputy, is requesting Slovak Premier Vladimir Meciar to submit to the assembly a report on the results of an investigation into the bugging of the former U.S. General Consulate in Bratislava.

On December 5, 1992, it was announced on television that the bugging device had been discovered in late November.

At a meeting of the governing Movement For a Democratic Slovakia (HZDS) in Bratislava, Meciar admitted that such a document existed.

If this report is a state secret, then I request that the premier at least submit it to the National Council Committee for Petitions, Legal Protection and Security, Pittner said.

Knazko Absent from Meciar-Led Brussels Delegation

AU2202141693 Prague CTK in English 1639 GMT 19 Feb 93

[Text] Brussels/Bratislava, Feb 19 (CTK)—Slovak Premier Vladimir Meciar will meet with supreme representatives of NATO and the European Community (EC) Commission in Brussels on February 23-24, the two institutions' headquarters confirmed to CTK today.

In the NATO headquarters, Meciar will meet with Amedeo de Franchis, representing NATO Secretary-General Manfred Woerner, who will be visiting Austria next week, and with ambassadors of the 16 NATO member countries.

In the EC Commission, Meciar will meet with its President Jacques Delors, Sir Leon Brittan, in charge of external trade policy, Henning Christophersen, in charge of economic and financial affairs, and Hans van den Broek, in charge of external political relations.

Meciar will also visit the European Parliament (EP) seat in Brussels to conduct talks with members of its foreign relations and economic committees, and with officials in charge of relations with the Czech and Slovak Republics. As the EP president will not be present, Meciar will be received by Enrique Baron Crespo, chairman of the EP Foreign Political and Security Committee.

Meciar's talks at the EC Commission will encompass Slovakia's future association accords with the EC, the controversial Gabcikovo hydroproject on the Danube and the problem of ethnic minorities.

In NATO Meciar is expected to confirm his country's interest in close cooperation within the NATO Council for Cooperation (NACC).

Meciar's visit to Brussels is awaited with great interest by journalists accredited in Brussels. Their interest in him has increased especially after the planned visit to Brussels of Slovak Foreign Minister Milan Knazko (February 9) was canceled. The two politicians' rivalry is nothing unknown among journalists, and they believe that Meciar wanted to be the first Slovak to meet supreme officials from European institutions.

The Slovak Government explained its disapproval of Knazko's trip by his failure to consult the details and goals of the visit with particular ministries. One of the arguments against the trip was that Worner's partner for talks should be the defense minister, not the foreign minister.

According to information from the Slovak Embassy in Brussels, Meciar will be accompanied by Jan Lisuch, secretary of state in the foreign ministry, Anna Nagyova, director of his office, and Roman Zelenay, his foreign political adviser.

Zelenay is considered a possible successor to Knazko.

Klaus, Meciar News Conference on Talks

LD2202202093 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1530 GMT 22 Feb 93

[News conference given by Czech Prime Minister Vaclav Klaus and Slovak Prime Minister Vladimir Meciar in Bratislava following conclusion of talks; also attended by Czech Republic Deputy Prime Minister Kocarnik, Czech Republic Deputy Prime Minister Lux, Slovak Deputy Prime Minister Roman Kovac, Milan Knazko Slovak deputy prime minister and foreign minister, and Slovak Finance Minister Julius Toth, moderated by Slovak Government press spokesmn Bohuslav Geci; Klaus speaks in Czech; individual correspondents identified where possible—live]

[Excerpts] [passage omitted] [Geci] Ladies and Gentlemen, allow me to welcome you to the news conference marking the official visit of Czech Republic Prime Minister Vaclav Klaus, whom I also welcome. I also welcome Slovak Republic Prime Minister Vladimir Meciar. Let me also present Czech Deputy Prime Minister Kocarnik, Czech Deputy Prime Minister Lux, Slovak Deputy Prime Minister Roman Kovac, and Milan Knazko, Slovak deputy prime minister and minister of foreign affairs. My apologies, I present also Slovak Finance Minister Julius Toth.

Allow me to go straight to your questions without making any lengthy statement. You have already compiled them, and so you may put your first questions over. Radiozurnal, if you please.

[Unidentified correspondent] My question is addressed to both prime ministers. First, what specific factors were produced by today's visit? And, in your view—in the view of both prime ministers—is the parting of our republics still cloaked in a velvet gown, as seems apparent from today's extended session of the Slovak Government? And there is also a question addressed solely to Prime Minister Klaus: What is your position on the Czech Republic's succession in connection with the Gabcikovo Nagymaros hydroproject?

[Klaus] [passage omitted] This visit is our first official visit to the independent Slovak Republic. I attach great imporance to it. It is also the first official state visit of the Czech side abroad. We have been saying for some time that we would make our first official working trip to Slovakia and today we have carried it out.

This visit is not only an official visit. I am very glad that the nature of this visit was purely working, both during the talks with Prime Minister Meciar, during the talks with the Slovak delegation, and during the expanded session of the Slovak Government. Some of the results are tangible, some of them amount to a shift forward in our negotiations so far. The tangible results amount to the signing of three other treaties between the Czech Republic and the Slovak Republic. What this means is that we have added three agreements to the hitherto 32, and we have now reached 35.

The three agreements concern, first, the solving of labor and legal relations of the former CSFR bodies. The second is the agreement on assistance in criminal and legal procedures, in the preparatory criminal and legal procedures. The third is the agreement on the origin of goods, which is important in connection with the issues of customs unions between our two republics. These are the three agreements we have signed. There are a whole number of other agreements which are still to be signed. We spent a very long time discussing them today, and I believe that on a number of them we have made headway, so that these agreements may be signed as soon as possible.

I believe that today's talks gave an absolutely clear signal with regard to the continuation of the velvet nature of Czechoslovakia's break up and the velvet nature of our future relations. I will have to disappoint those correspondents seeking scoops, such as tearing the velvet and so on because they will not hear any such thing in the report about our negotiations.

A minor observation on Gabcikovo: The Czech side cannot, indeed, see any reason to continue to interfere in this issue. It is likely that tomorrow or the day after tomorrow, the Czech parliament will adopt an appropriate decision on this issue. This decision will make it possible for the Slovak side to have a full mandate for talks in all European forums on this issue without having its hands tied by the Czech side.

[Meciar] If the question was also directed to me, I would like to highlight some of the issues discussed. First and foremost we all appreciate the mutual assistance which we have given each other with regard to the integration into international institutions and in achieving recognition for the two republics. In this area we have proceeded and shall continue to proceed jointly. We also discussed issues connected with the Central Europan area. In particular, we discussed Gabcikovo. We think that the issue has now become one for parliament. Once the Czech National Council decides it, the Slovak Republic will become a successor to all rights and obligations. In this way, the Slovak Republic will be able to discuss an agreement with the Hungarian Government on how to present the dispute to the International Court. Until now, the Slovak Repubic has not been able to do so on behalf of the Czech Republic, because both of them cannot be successors.

Another topic of discussion was those issues connected with the fulfilment of the agreement concluded so far. We confirmed we want to develop and fully integrate the hitherto customs union into our economic mechanisms. We discussed the shared border as far as trade relations are concerned. We confirmed that we are keen to simplify the current border contact as much as possible because the whole matter has been somewhat taken over by red tape rather than by economists. The whole process must be simplified in order to eliminate double checks and to introduce a single control zone jointly by the two sides. The single control will only be fulfilling those tasks that are essential for the flow of currency and goods.

We naturally discussed some individual issues pertaining to Slovakia, such as supplies of medicines, and so on. We agreed that the Czech Government would help, by intervening in order to resolve the problems with the manufacturers so that they are not reflected in such an extreme form in the Slovak Republic.

If we are to assess the quality of mutual relations, we must reassess some of the agreements hitherto concluded. This is either because events have overtaken us, or because circumstances have arisen which we could not have foreseen and which we must respond to.

Both sides confirm that they do not wish to drop the volume of production and are keen to support any initiative in both republics. So, if it appears in the news that there are trends in Slovakia or in the Czech lands to play down economic contacts, these are not trends originating in governmental circles. We wish to preserve these good relations.

In a nutshell, these are the issues to which we devoted our special attention, and the areas where we assessed problems exist with regard in current relations. Our talks will be followed by talks between the economy ministers on oil and gas, and between the finance ministers on some obligations in property division, which should be resolved by an agreement between the two presidents. Talks on drafting an agreement on trade will continue, too. We want there to be a mutual balance. This is not a question of restrictions, but of having relations in balanced payments. If there are to be certain restrictions in mutual trade, one must not see bad intent behind them. They must be seen as something that happens when two sides are coming to terms with insolvency and structural changes which occur on either side; at the same time, they are looking toward markets abroad for more advantageous terms.

[Prudky, correspondent of LIDOVA DEMOKRACIE Czech daily] This is a question to both prime ministers. First, Prime Minister Klaus said that one of the outstanding issues is the common border and its proper protection in connection with illegal migration. I would be interested to know whether you discussed this and whether you agreed on some sort of speeding up of joint protection of that border and securing of this border.

A question to Prime Minister Meciar: How do you see the fate of Slovak currency—devaluation or revaluation—and in this connection also the attitude toward the IMF, which left Bratislava in fact with unresolved issues? Also, did the Slovak side acknowledged during your talks the liabilities it has toward the Czech Republic, and in this connection the future of Slovak owners of investment coupons who invested during coupon privatization in the Czech Republic? Thank you.

[Klaus] The first question concerned the common border. I cannot say that today we concluded any specific agreements. We discussed this topic at length, and both sides agreed that the agreements between us so far need to be enriched, expanded, and amended, since life is pushing us toward a clearer definition of the common border between the Czech and Slovak Republics. Nevertheless, the indications perhaps point in two directions: One, the cross- border movements of people, and second, the cross-border movements of goods.

As for the cross-border movements of people, we favor the maximum possible freedom of personal mobility. Of course, this is the valuable primary issue. However, this should be a mobility which is in a certain way controlled or taken into consideration in some rational way.

We support the idea that the responsible bodies, for instance the Ministries of Interior, should speedily develop a mechanism briefly labeled small border traffic—the usual small marginal, across the border coming together—so that in this context the contact may be liberalized as much as possible.

As for the movements of goods, in this case the free movement of goods is our slogan—control and registration, yes, bureaucratic administrative barriers to this flow, no. That is perhaps the essence of what we should point out here. In any case we are determined to tackle all of this jointly; there should not be two different formations, little sheds, at the border. [passage omitted]

As for the owner of investment coupons and the coupon privatization, we did not have any essential, long discussion. It is absolutely clear though that this issue forms part of the package on all the property issues and agreements that we had time to discuss today.

[Meciar] The cross-border movement or people is a matter already written in the agreements. What is most at issue here is that the current trend—the trend referring to unauthorized border crossings by persons either from east to west or back—would not serve as a reason for erecting an iron curtain at the border. That would be senseless. According to the information of our Interior Ministry, abour 700 people crossed. Therefore, it does not make sense that 2,000 people should continuously guard the border on either side.

In this respect the movement of people is also influenced by international agreements and rules, whereby we have pledged to take joint action so that a situation will not arise whereby transit from one republic to the other would not be allowed. So, this should be a matter of a multilateral international negotiation. An agreement between our two sides will not suffice, although a good intention undoubtedly exists.

You asked my opinion about Slovak currency. Well, I think it is alright. I think the prospects for its future development are good. They are good in a positive sense of the word. As far as the International Monetary Fund is concerned, then the talks that took place were of a fact-finding nature and no conclusions were reached by the lower level staff of the IMF. These consultations have been suspended for one month. This does not of course mean that the consultations have been completely suspended, because we wish to continue them on higher levels.

When you ask whether we should or should not devaluate, then the first point is that matters of this kind are never discussed in public. It is a matter of decision-making and implementation. However, I assure you that neither the Government nor the bank's board, nor the bankers' session, nor the session of economists who dealt with these issues, spoke positively about devaluation. There are many other instruments with which we can regulate social and economic relations.

[Geci] Would you please leave enough time for your colleagues.

[Unidentified correspondent] My question is whether the Slovak side has recognized the debts to the Czech Republic?

[Meciar] We have already said that these issues will all be resolved together, as one package.

[Unidentified correspondent] My question is also addressed to both prime ministers. I would like to know your view of the last two months since the split of Czechoslovakia. Namely, what do you see as positive and good and what would you do differently now? What makes you nervous and concerned, apart from the journalists?

[Klaus] [passage omitted] The development since 1 January until now has run more or less as anticipated and predicted. If you want to hear that we expected far fewer problems in Czech-Slovak relations, or many more problems, then I feel I can say for all of us that everything has gone roughly in the right way. Evidently some new problems are cropping up and not all of them could have been foreseen during the fast paced fall of 1992. However, it was not even our aim to predict them.

I think our moves hitherto show that both sides are able to respond flexibly to the newly arising situation, and that there is plenty of political will to do so.

[Meciar] As for development in the past two months, I would not assess it as bad. On the contrary, nothing has got worse, to say the least, and some things have begun moving forward and are picking up the momentum which will turn into positive development.

If the Slovak Republic has problems of equality with regard to the Czech Republic, it is because we lack many state administration bodies. Neither did we have trained experts. The administration is being set up and that is why its work is rather low key. This is a complex time for the state, and the state is more vulnerable.

There have been some negative phenomena among those which count. it is, above all, the polarization of political forces which began during the election and which abated when the Slovak state emerged, although when doing so it did not mean rapprochement between political subjects. Since 1 January forces have been radicalizing the political scene indirectly through others. This not a good sign. Another bad thing in the development of Slovakia is the over- abundance of social demagogy. All political parties talk about sharing out the money, but it will be the Movement for Democratic Slovakia who has to do the work. That's the division of labor for you.

Another problem is that there are too many reservations about the work of the government that are either unfounded or untrue. They especially hurt me. Some are professional reservations and we have taken lessons from them, correcting mistakes immediately. But the attitude to the activity of the government and the complexity of the issues it has to control is often not on target.

I think it is not good when the Slovak Government is criticized, to the effect that in the six weeks since 1 january it has not coped with its powers. This is because it has so far not amended all federal legislation. [passage omitted]

[Geci] Next question, please—television please.

[Unidentified Slovak television correspondent] I would like to ask Mr. Meciar: Did you inform the Czech side about the planned anti-import and pro-export measures by the Slovak Government? I would also ask representatives of the Czech Government to give us their view on this—they certainly have some framework knowledge about it, I am sure they can tell us something. And a question to Minister Kocarnik: What problems hinder the signing of the agreement on dividing the assets of the former Czechoslovak State Bank?

[Meciar] It is understandable that the Slovak Republic, in the course of managing its hard currency sources, has to look for ways how to regulate them. The regulation method is aimed at ensuring our citizens and economy get what they need, and that we do not pay heavily for something they do not need. [passage omitted] As far as Czech-Slovak relations are concerned, they have another form—an exchange of hard currency is not involved—we effect [word indistinct] payments in koruny which are exchanged into ECU's [European Currency Units]. Thus these are not restrictions concerning goods imported from the Czech Republic.

What in fact matters is that the balance does not go into the red to the detriment of the Slovak Republic. A special agreement should be concluded on this. [passage omitted]

[Klaus] I would like to say that we did not discuss this matter, I have to admit. The Czech side has not been informed about any plan of this kind already prepared by the Slovak Government. [passage omitted] One thing is clear and there is no need in denying it—either the Slovak economy will keep its foreign payments balance, preserving the existing rate of exchange and the existing system of export-import policy and regulations, or it will not keep it and life will reveal it. In that case it can choose either the way of fluctuation of exchange rates or changes in these regulations—liberalization or regulation of foreign trade. [passage omitted] I admit that the Czech side did not exercise any pressure in order to get information in this sphere.

[Meciar] This was discussed only in talks with the deputy prime minister.

[Kocarnik] As for the agreement on bank property and the liabilities between the Czech and Slovak National Banks, there are basically technical issues. This is due to the fact that figures until 31 December 1992 were correct but the postings into mutual accounts were running until the date of the currency division until 8 February. Hence, the agreement must include figures as on 8 February. In this respect some of the figures need to be specified. [Klaus answers question saying he is satisfied with the results of the talks today]

[Unidentified ZYCIE WARSZAWY correspondent] This is a question to Prime Minister Klaus, and possibly also to Minister Kocarnik. I assume that the Czech Government is also interested in the possible devaluation of Slovak Koruna. I would like to ask what the possible impact could be of such a devaluation on trade between the two states if it is, let us say, in the range of 10 or 30 percent? Thank you.

[Klaus] No. You know well that you will not get from us any specific answer to that. All that is fully and exclusively under the jurisdiction of the bodies of Slovak State, its government, and its central bank. [passage omitted]

[Geci] Last question, please, as the delegation has other things on its agenda.

[Unidentified Radio Free Europe correspondent] Free Europe. I would like to ask Mr. Klaus: Taking into account a statement made today by the Slovak prime minister, none of the high powered bodies of the Slovak Republic is considering devaluation. Therefore, if the shortage of hard currency reserves is tackled through different methods—through import surchages—will this in your view have any impact on the existence of the Customs Union between the Czech Republic and Slovak Republic?

[Meciar] This does not concern the Customs Union.

[Klaus] The payments currency mechanism is not directly linked to the issue of the Customs Union. However, I do not wish to speculate. So far devaluation has been speculated about, and today we encountered speculations in a totally new way—with regard to the change of the liberalization of foreign trade. I heard this for the first time today. There is no point in me commenting on it.

Czech Prime Minister Addresses Slovak Cabinet

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[Address by Czech Prime Minister Vaclav Klaus to the Slovak Government Cabinet in Bratislava on 22 February—recorded]

[Text] Esteemed Prime Minister, esteemed members of the government, esteemed guests, allow me to say a few words on my first official visit to Slovakia. First, I would like to thank you for the nice welcome we were given here in Slovakia. I would like to wish all of you, and all Slovak people lots of success on your new path, which in many respects differs from that of the past. I would like to assure you that I respect and that we respect the fact that through the division of Czechoslovakia, Slovakia has gained its long-term goal, and perhaps also its dream, of achieving its sovereignty as a result of the culmination of the national emancipation process. This will no doubt enable Slovakia, or at least make it easier for Slovakia to realize its own intentions and plans, which it probably could not realize together with us.

The Czech Republic was neither the maker of nor the driving force behind the division of Czechoslovakia, and its citizens had always respected the common state. They received the first post-November [1989] attempts or suggestions to divide the state with certain disapproval, with a feeling that they were losing something that belonged to them, something for which they cared a lot. However, they gradually began to accept this fact as something unavoidable; they have come to terms with it and are starting to get used to it. They realize that they have lost something, but also gained something.

I believe that the citizens of your state feel the same. It is in the interest of the Czech Republic to have a good, friendly neighbor on its eastern border, a neighbor with an efficient democratic political system, a neighbor with an efficient, prosperous economy, a neighbor that wants to continue all the positive things that existed between us in the past, a neighbor that knows that cooperation is better than confrontation and that we all can only lose if their is not enough cooperation. I can assure you here today that we are very well aware of all this.

The signing of dozens of agreements between the Czech and Slovak Republics before the division of the state, a fact mentioned by the prime minister a while ago, is a an act without precedence and is a good point of departure for us. These agreements are obviously not perfect and we shall discover in them partial, poorly thought out, patchwork features of the hot autumn of 1992. Life will certainly correct these. However, we can rely on these agreements as a whole.

The list of outstanding problems that we perceive today needs to be tackled by standard procedures. The currency division carried out more than two weeks ago has clearly proved that both sides are sufficiently aware of this and that they are able to initiate and implement necessary changes. I am sure that especially the agreement on customs union will remain the backbone of our long-term cooperation. We have to do our best that this agreement, particularly this agreement, is actually implemented.

There remain, except for matters brought by everyday life, two more specific groups of problems. On the one side it is the completion of property division. On the other side it is the need to ensure jointly organized protection of the state border between the Czech and Slovak Republics.

As for the property issues we have already resolved a number of things. However, there are still some matters left to be tackled. There remains the issue of the division of assets and liabilities of the former Czechoslovak State Bank, the issue of the division of several larger all-state organizations like Transgas, Cedok, and others. On top of that, some of these organizations are already undergoing a certain phase of their privatization process which makes the matter more complicated. There also remain some unresolved problems of coupon privatization. I believe that today's visit will also contribute to their solution and I can say that the first two to two-and-one-half hours of this visit indicate so.

Our joint objective was, and I would like to say that it continues to be, to avoid building unnecessary barriers to free movement of people, goods, and money between Czech Republic and Slovakia. I have to confess that originally we thought in a somewhat simplified way that this intention could be implemented with a minimum or virtually nonexistence of formal borders between our countries.

We can see today that it is not as simple as that. We are given many reasons to believe so by the new phenomenon of the European continent, the extensive migration, as well as the change of perception of this migration in some West European countries. The currency division and the necessity to secure proper collection of taxes in both republics supply us with more reasons for that. In this respect as well does today's visit signify a shift in the solution to these issues and to these problems.

I highly value the fact that we were and remain quite successful so far on the international scene to present ourselves with the Slovak representation in a total accord. I believe that this will continue to be so.

For myself I can say that wherever I am in the world I am an advocate of your country and that I try not to obtain any advantages at your expense. It would be anyway short-sighted. I believe that the world will acknowledge such a behavior and that in no case will either side pay for it.

The international community knows already enough examples of mutually poorly behaving former partners in the post-communist world. We have therefore to try to show a different case. I believe that we have all the conditions to do so and that we also have a sufficient will and political will for that.

The Czech side is ready to search for all reasonable ways to maintain the current level of economic relations between the two countries, being aware of a very simple mathematical equation: Slovak goods sold in Czech lands and Moravia as well as Czech goods sold in Slovakia mean preservation of production and employment. This is exactly what both countries need so much. It would be very unwise not only to lay some artificial barriers to these movements of goods. Likewise it would be also unwise to remain too passive and not to try to stimulate these movements of goods as much as possible. It is necessary though to secure relevant payments, hence a consistent observation of the recently concluded payments agreement, observing this on principle and by both sides.

These are roughly the main points which are on our minds today and which keep us busy that I wanted to share with you today. In the end I can assure you that we have arrived here with good will to launch regular coordination and information providing meetings at the level of premiers and, what is most important, we arrived here with the will not to loose contact with the country that is so close to us.

May I use this opportunity to invite Slovak Prime Minister Vladimir Meciar for a visit to the Czech Republic in the near future as and when his schedule allows him to do so. Thank you for your attention.

Cernak: Moscow Visit Will Help Stabilize Currency

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[Text] Moscow, Feb 19 (CTK correspondent)—Slovak Economics Minister Ludovit Cernak said that he believes his two-day visit here, which ended today, will help stabilise the Slovak currency.

I am firmly convinced that when I present the agreements prepared with Russia to the government, confidence both of the cabinet and in financial circles will be strengthened, and the Slovak Republic will be able to maintain the exchange rate, he said.

Cernak is the first Slovak minister to visit Russia since the establishment of the independent Slovak Republic. He met primarily with Russian Economics Minister Andrey Nechayev and Foreign Trade Minister Sergey Glazyev.

Cernak said that he felt a marked increase in interest from his partners in the renewal of economic relations with East European states. The criticism was apparently useful, he said, referring to a recent speech by Russian President Boris Yeltsin, in which he blamed the Russian Ministry of Foreign Trade for the inaction which caused East European countries to turn away from Russia and towards the West.

Cernak and Glazyev initialled a Russian-Slovak agreement on economic and scientific cooperation. It should be signed by Slovak Premier Vladimir Meciar on his next visit to Moscow.

Cernak said that he is bringing an explicit pledge from Moscow for the supply of 4.5 million tonnes of oil this year. Slovakia will also receive 6.3 million cubic metres of natural gas.

Slovakia's balance of payments deficit is the greatest problem between the countries, Cernak said, adding that the Russians are prepared to remedy the situation.

The consumption of Slovak products in Russia is high because the two countries are traditional partners, but difficulties lie in the method of settling payments, he said.

During his visit Cernak also discussed cooperation in supplying Slovak nuclear power plants with nuclear fuel and the elimination of nuclear waste with the Ministry of Atomic Energy. The project is already prepared, he said, and now it only remains necessary to meet with Ukraine, which must permit the transit of materials through its territory.

1992 Economic Statistics Published

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["Report on the Development of the Economy of the Slovak Republic in 1992," distributed by the Slovak Statistical Office on 10 February]

[Text] The most important feature of the economic development in 1992 was the proprietary transformation of the Slovak economy. This transformation found its expression in the growing share of the private sector in the generation of the Slovak Republic's national income, which, according to preliminary data, reached almost 21 percent. Following a certain period of stabilization, the growth of prices, inflation, and cost of living began to accelerate again in the fourth quarter of the year.

The number of registered unemployed declined. Compared with 1991, a higher level was achieved in construction output, in the volume of industrial exports, and in the physical volume of sales of goods and services in domestic trade, public catering, accommodation, and exports, particularly exports to states with an advanced market economy. The volume of industrial production, on the other hand, of the sale of all main types of food products of animal origin (livestock and poultry for slaughter, milk, eggs), and of passenger and freight transport was lower than in 1991.

Shaping the Private Sector

At the end of December 21,498 economic entities registered according to the Commercial Code engaged in entrepreneurial activity in Slovakia, 9,349 or 77 percent more than at the end of 1991. Of the total number of registered entities, the private sector (domestic, foreign, and international) accounted for 16,624, which was 117.4 percent more than at the beginning of the year.

A total of 2,540 entities were in public ownership and 1,863 in cooperative ownership.

At the end of December the Slovak Statistical Office had on record 301,000 private entrepreneurs, 48.8 percent more than at the end of 1991. Most private entrepreneurs were involved in retailing and repair services (23.8 percent), construction (20.9 percent), and manufacturing (19 percent).

The structure of proprietary forms was also influenced by the influx of foreign capital. In the course of the fourth quarter of the year the number of organizations with foreign capital increased 15.1 percent (by 370) to 2,825. In terms of value, the influx of foreign capital increased 8.4 percent in the fourth quarter of the year (by 512 million korunas) and reached 6.6 billion korunas ($231.2 million).

From the beginning of small-scale privatization on 14 February 1991 until 31 December 1992, 9,676 businesses worth 14.541 billion korunas were auctioned off in the Slovak Republic, 4,053 of them, worth 12.548 billion korunas, went into private ownership. Since the beginning of privatization, 2,049 businesses (that is, 21.2 percent of all auctions) worth 3.364 billion korunas were auctioned off by the Dutch method [during which the price is bid down if no buyer can be found at the starting price]. The price fetched by businesses auctioned off by the Dutch method was 53.3 lower than their aggregate starting price. The number of people employed in auctioned businesses reached 58,262.

Within the framework of large-scale privatization, 832 entities worth 168.7 billion korunas were privatized by 31 December 1992, 39 of them transformed into existing and newly-established shareholding companies [as published], 180 sold directly, six in public auction, one in a public tender, seven returned to their former owners, 96 transferred free of charge, and 503, worth 86.9 billion korunas, set aside for coupon privatization. Of the companies set aside for coupon privatization, 98 shareholding companies worth 30.3 billion korunas were sold completely in the five rounds and 405 shareholding companies worth 49.6 billion korunas were sold partially. Shares worth 7.1 billion korunas remained unsold. On aggregate, property worth 79.9 billion korunas was privatized within the first wave of coupon privatization, which was 91.8 percent of the total property offered for sale.

As for the share of privately owned enterprises (domestic, foreign, and international) in the output of individual branches, the highest share of privately owned firms was in the proceeds from the sale of goods and services in retailing, catering, and accommodation. In November and December, privately owned firms accounted for 62.4 percent of these proceeds and 59.3 percent in 1992. In December, privately owned firms accounted for 47.6 percent of the volume of building production (32 percent average for the entire year), 52.9 percent of the volume of freight transported by road (36.6 percent average for the year as a whole), and 19.8 percent of the volume of industrial production (9.5 percent average for the year as a whole).

Price Development and Inflation

Prices of consumer goods and services increased 1 percent in December compared with November, of which food prices increased 0.6 percent, nonfood items 0.9 percent, public catering 1 percent, and services 2 percent. Compared with December 1991, consumer prices increased by an average of 3.2 percent in 1992, of which food prices increased by 2.4 percent, nonfood items 2.4 percent, public catering 6 percent, and services 6.2 percent.

The development of consumer prices in December points to a moderate decline in the rate of inflation—from 1.7 percent in November to 1 percent in December. Compared with December 1991, the inflation rate increased 9.1 percent in December (8 percent in November). Compared with 1991 as a whole, the rate of inflation reached 10 percent.

Cost of Living and Private Consumption

The cost of living index increased 1 percent in December, compared with November. Compared with December 1991, it increased by an average of 3.5 percent since the beginning of the year [sentence as published]. The cost of living in 1992 as a whole was 10.9 percent higher on average than in 1991. In the last three months of the year the cost of living registered a moderate increase in all social groups. From the viewpoint of the structure of consumed goods, the increase in the cost of living in October and November was accounted for largely by the cost of foodstuffs and in December by the cost of services (increases in bus fares, municipal mass transportation fares, and prices in communications).

In the first 11 months of the year personal income increased 13.5 percent in nominal terms and 2.3 percent in real terms. Earnings exceeded expenditures by 1.8 billion korunas and the savings rate averaged 1 percent since the beginning of the year. As for the structure of income, the share of earnings from wages declined while the share of other income, including transfer payments, increased.

According to preliminary estimates, the average monthly nominal wage in the state sector increased 25.4 percent in the Slovak Republic in 1992 and amounted to 4,900 korunas, while in the private sector gross monthly earnings per employee averaged an estimated 7,000 korunas. The real value of wages increased 13 percent, compared with 1991.

Private consumption measured in terms of proceeds from the sale of goods and services in retailing, public catering, and accommodation (in current prices) was 11.1 percent higher in December than in November in terms of proceeds per shopping day. On aggregate, private consumption measured in this way was 24.9 percent higher in 1992 than it was in 1991. Private consumption also increased in real terms—14.6 percent in December, compared with November, and 16.3 percent on annual aggregate.

Employment

According to estimates, the number of employees in the national economy of the Slovak Republic in 1992 was 2-3 percent lower on average than in 1991. Compared with November, the overall level of employment in the main industrial branches declined 0.9 percent (with the level of employment in the public sector declining 0.7 percent). The level of employment in the private sector increased 2 percent.

The number of employees in retailing increased 1.7 percent on aggregate and 4.6 percent in privately owned enterprises alone. While the number of employees in the building industry as a whole declined 2.8 percent, there was a moderate 0.5 increase in the number of building workers in the private sector. Since the beginning of the year, compared with the same period the year before, the number of employees in industry declined by an average of 10.6 percent, the number of employees in the building industry by an average of 3.9 percent, and the number of employees in transportation by an average of 8.9 percent.

According to records of the Slovak Ministry of Labor, Social Affairs, and the Family, 260,300 job seekers were registered on 31 December 1992, which represented an unemployment rate of 10.4 percent. The rate of unemployment was 1.4 percent (41,700 persons) lower than at the end of 1991. Labor offices were offering 16,200 vacant jobs, 8,000 more than the year before.

The Slovak Statistical Office estimates that the real rate of unemployment reached 13 to 14 percent in December, which means 330,000 to 350,000 people without regular work.

Apart from this, 44 enterprises in Slovakia were on so-called short-time work on 31 December 1992. Of a total of 53,500 employees of these organizations, the short-time work regime applied to 25,500 persons (by comparison, 52 enterprises with 41,200 employees had been on short-time work on 30 June 1992, with 14,600 persons affected by short-time work).

Since the beginning of the year an average of 208,600 persons were drawing some sort of unemployment support. Financial resources worth 3.2 billion korunas were provided for this purpose since the beginning of the year, of which 52.7 percent was spent on unemployment benefits. In December, each recipient of unemployment benefits received an average of 1,191 korunas and each recipient of welfare an average of 1,404 korunas.

Foreign Market

According to preliminary data, 1992 foreign trade turnover amounted to 199.3 billion korunas (all charges paid up to the border of the delivering state). Foreign trade turnover was 1.9 percent lower than in 1991, with imports declining 5.3 percent and exports increasing 1.9 percent. However, the volume of imports still exceeded the volume of exports by 2.1 billion korunas (all charges paid up to the border of the delivering state). (In 1991 imports exceeded exports by 9.6 billion korunas). From the territorial viewpoint, European states with an advanced market economy gained a dominant position in the foreign trade turnover, accounting for 65.8 percent of exports and 55.8 percent of imports. As for the structure of foreign trade turnover, consumer market goods accounted for 42.6 percent of exports (45.1 percent when considering exports to advanced market economies alone). The number one item among imports was machinery and equipment, which accounted for 31.9 percent of total imports and 54.9 percent of imports from advanced states.

Production and Producer Prices

Industrial production in terms of output per working day remained in December at the level of November, using comparable prices. The volume of industrial production in 1992 as a whole amounted to 347.8 billion korunas and was 13.7 percent lower than in 1991.

Enterprises with 25 or more employees sold products worth 33.9 billion korunas in December, 6.4 percent less than in November. Output worth 358.6 billion korunas was sold in 1992, 12.7 percent less than in 1991. Of the total volume of production sold, products worth 82.4 billion korunas were exported, 1.8 percent more than in 1991. Exports accounted for 23.7 percent of output.

Industrial producer prices remained in December at the November level and stood 5.3 percent above the 1991 average prices. A distinct annual price increase of 15.5 percent was recorded in the generation and distribution of electricity, gas, and water.

In the construction industry, the volume of output per working day was 3.9 percent lower in December than in November. Construction work worth 49.9 billion korunas was carried out since the beginning of the year, 10 percent more than in the same period in 1991. Construction work abroad accounted for 14.6 percent of the total output of enterprises with 25 or more employees in 1992, compared with 7 percent in 1991.

Construction work prices are estimated to have increased 0.6 percent in December, compared with November, and the prices of materials used in the industry are estimated to have increased 0.9 percent. Compared with the 1991 average prices, construction work prices increased 2.6 percent in 1992 and the prices of materials used in the industry 6.3 percent.

Since the beginning of the year, compared with the same period in 1991, prices of agricultural products increased 6.5 percent, of which prices of animal products increased 7.6 percent and prices in farming 5.1 percent. The level of prices in farming was influenced by the 5.8 increase in the prices of crops, excluding fruit and vegetables, the average prices of which were 3.2 percent lower than in 1991.

According to preliminary calculations, gross agricultural output reached a volume of 39.4 billion korunas in 1992 (in permanent 1989 prices) and was 11.9 percent lower than in 1991; of this, output in crop farming declined 11.7 percent and output in animal farming 12.1 percent. Even more distinct was the 12.9 percent decline in marketed output, of which crop farming declined 10.2 percent and animal farming 14.5 percent.

In animal farming (including private farms) herds of all kinds had shrunk by 31 December 1992, compared with 31 December 1991 (beef cattle, pigs, poultry, sheep).

Milk output in December was 1.4 percent lower than in November. In 1992 as a whole, compared with the preceding year, milk output declined 12.8 percent. Egg output declined 3 percent in December, compared with November, and in 1992 as a whole it was 5.7 percent lower than the year before.

Primary producers sold 5.8 percent more livestock for slaughter in December than they did in November. In 1992 as a whole, however, sales of livestock for slaughter trailed 11.4 percent behind sales in 1991. There was also a 7.4 percent drop in egg sales, a 23.1 percent drop in milk sales, and a 5.8 percent drop in sales of poultry for slaughter.

A total of 11.5 million tonnes of freight were transported in December, which was 27.2 percent less per calender day than in November. Since the beginning of the year 1992, 157.6 million tonnes of freight were transported, 0.3 percent less than in 1991. While the volume of freight transported by rail declined 9.3 percent and the volume of freight transported by water 15.3 percent, the volume of freight transported by road increased 10.4 percent. Road passenger transportation (without municipal mass transportation) carried 68.8 million passengers in December, 2.9 percent less than in November. Since the beginning of 1992 it carried 855.5 million passengers, 1.8 percent less than in 1991.

Antall Explains Recent Government Reshuffle

AU2302115193 Budapest MTI in English 1757 GMT 21 Feb 93

[Text] Budapest, 21 February (MTI)—Unless necessitated by personal or political reasons, Prime Minister Jozsef Antall plans no more changes in the government until next elections in 1994, he said on Hungarian radio today, explaining the timing and background of the recent reshuffle.

He began by stressing that his proposals for minister changes had been throughly considered. He first thought of the change back in August 1992, but was unable to carry it out for a number of reasons.

The ruling coalition first had to go on the defensive because of the controversial political treatise published by writer-politician Istvan Csurka, Presidium member of the Hungarian Democratic Forum (MDF), in August 1992. Change was later impeded by the packed schedule of parliamentary work and the preparation of the central budget. Then, Antall wanted to avoid facing the MDF's national convention, held in January this year, with established facts.

The prime minister did not elaborate on the minister changes, but only hinted at signs of fatigue in the case of certain ministers. He took into account public opinion and the performance of the outgoing ministers, he added.

In connection with the ex-finance minister, Antall stated that Mihaly Kupa had played a positive role, but his predecessor, Ferenc Rabar, had also had a major part in preparing the ground for the so-called Kupa program. This program, he added, was the joint work of the government, and its tasks demanded by life would continue to be accepted by the government as its own.

Concerning Kupa's international relations, Antall said that Kupa had set up most of his contacts as a minister, partly with Antall's help, who had maintained good links with Western finance ministers and senior financiers already before.

Antall justified the government's economic work by figures about slowing inflation, decreasing foreign debt, and swelling foreign exchange reserves, pointing out the cabinet's intention to do everything in its power in the field of social-welfare policy.

He mentioned unemployment and the protection of domestic goods as problems crying for quick solution. In the new government, Finance Minister Ivan Szabo would also take charge of economic strategies, Antall said.

About the IMF talks, interrupted without agreement, the prime minister said that the government would take the necessary steps after carefully considering them, and had no wish to make irresponsible promises. The desired programme should provide for a cutback on budget deficit compared to gross domestic product [GDP]. To promote the agreement, he will confer with leading financiers, he said and added it was important for Hungary's economy to keep the confidence of banking circles.

Answering a question on the mass media, Antall confirmed that the government was applying lawful solutions in keeping with the Constitution. It wants to see unbiased radio and television broadcasting uninfluenced by both the government and the opposition. When the resignation period of the media chiefs expires, the government can appoint the new presidents. He said he would discuss the matter with President Arpad Goncz after his return from his official trip abroad.

Parliamentary Committees Approve New Ministers

AU1902143293 Budapest MTI in English 2136 GMT 17 Feb 93

[Text] Budapest, 17 February (MTI)—At the prime minister's proposal, the relevant committees of the Hungarian Parliament heard designated ministers Janos Gyurko of environmental protection and regional development, Miklos Janos Latorcai of industry and trade, Ferenc Madl of culture and education, Gyorgy Schamschula of transport, communication and water management, and Janos Szabo of agriculture.

As the committees supported the designations unanimously or by majority vote, the prime minister will ask the president of the republic to appoint them at the same time with relieving the outgoing ministers, says a press release sent to MTI by the prime minister's press office on late Wednesday [17 February] evening.

With Minister of Industry and Trade Ivan Szabo, designated for the post of finance minister, staying abroad as member of the delegation led by the president of the Republic of Hungary, he can appear before the committee only after returning to Budapest. The prime minister will take the necessary steps for his appointment afterwards. Until then, Szabo will replace the finance minister as a government member designated by the prime minister.

New Cabinet Ministers Profiled

LD2302123193 Budapest MTI in English 1055 GMT 23 Feb 93

[Text] Budapest, February 23 (MTI)—Janos Gyurko, minister of environmental protection and regional development, was born in 1952. He graduated from the architectural faculty of the Budapest Technical University, was MP [member of parliament] for the Hungarian Democratic Forum, and a member of parliament's Committee for Environmental Protection.

Janos Szabo, minister of agriculture, was born in 1937. He earned a diploma at the faculty of law and political sciences of the Szeged University of Arts and Sciences.

He has been chairman of the 36-strong parliamentary group of the Independent Smallholders Party since the autumn of 1992.

Ferenc Madl, minister of culture and education, was born in 1931. He graduated as a lawyer from Budapest's Eotvos Lorand University of Arts and Sciences, and studied international comparative law at Strasbourg University from 1961 to 1963. He has been a corresponding member of the Hungarian Academy of Sciences since 1987 and has published works on international civil and business law relations.

Gyorgy Schamschula, minister of transport, telecommunications and water management, was born in 1944. He graduated from the Budapest University of Economics. He worked for the National Oil and Gas Trust from 1968 to 1987 and was president of a small cooperative from 1987 to 1990, MP for the Hungarian Democratic Forum, and political secretary of state at the Ministry of Labour from 1991.

New Agricultural Minister Describes Goals

AU2302092093 Budapest NEPSZABADSAG in Hungarian 19 Feb 93 pp 1, 5

[Interview with Agricultural Minister-Designate Janos Szabo by Jozsef V. Farkas; place and date not given: "A Peasant Is the Master of His Own Household"]

[Text] [Farkas] Mr. Szabo! Even before taking office, you have already been accused of not being a professional.

[Szabo] Professionalism depends on which side we look at the matter. I am a lawyer with an economic background and, therefore, I regard myself as a professional.

The agricultural minister in the Clinton administration is a lawyer, and there are also Hungarian examples of lawyers leading the Agricultural Ministry, like Agoston Trefort and Gabor Klauzal in the old monarchy and Dr. Baranyossy in the coalition times. This sector is facing a major legislative program because we must create a new land law and we also lack laws on forestry, hunting, animal husbandry, and interest representation. All this determines the situation of the Hungarian agriculture for decades, and this also upgrades the legal knowledge.

[Farkas] How do you plan to lead the apparatus?

[Szabo] Life will not stop with the change of ministers. According to my information, the Agricultural Ministry has a well-trained professional apparatus. The experts operate in close cooperation, and the minister's task is to make this cooperation smooth. I plan to set up a ministerial cabinet and include outside experts to work out concepts.

[Farkas] Your fellow deputies also said at your parliamentary hearing that the agricultural sector is down. How do you see the situation of this sector?

[Szabo] Hungarian agriculture is not in a good situation, but it is not any worse than the situation of other sectors. The amount of problems inherited from the past and the radical restructuring of this country coincide in time, and this objectively determines the situation. An example of this is the fact that the eastern markets have collapsed and, after exporting low-quality goods there, we cannot send the trains in the opposite direction now. The contradictions in the agricultural sector originate from several sources: The ownership conditions are developing slowly, there is a lack of capital for production, there is no production security, and the agricultural price gap has grown to an almost unmanageable level. Dealing with each and every problem is a serious task. No economic sector can tolerate a situation in which it is purchasing its means of production at world market prices while being forced to sell its products for reduced prices. Nor can we continue the current practice of having the food consumer prices be part of our social policy. This is not politically justified either because, in many cases, the price of raw material is only 20-25 percent of the consumer price. The settling of the agricultural producer prices will not kill the consumers. We must make order on the market.

[Farkas] Who is able to make order? Foodstuffs are free price products and these prices are determined by supply and demand.

[Szabo] Agricultural performance is a political issue in every country in the world and, thus, the government must deal with it. Naturally, I am also against directives and manual management methods. Nor are these methods necessary because the law on agricultural markets will become valid in March 1993. This sector can also be directed through market methods.

[Farkas] If these methods are used consistently, the producers might also make a profit. Your predecessors rejected the need for income guarantees. Do you agree with this?

[Szabo] Of course. One who is able to produce something through his land, money, or knowledge has the right to be able to sell it at a profit. The law on agricultural market provides a legal framework for this.

[Farkas] Most producers are active in agricultural production cooperatives. Many of them have doubts about their future. With whom do you agree?

[Szabo] We must coexist with the cooperatives: Peace in the villages requires this. However, past experience and economic laws do not strengthen the future of production cooperatives. Such cooperatives failed all over the world. Joint production is incompatible with human nature because the peasant is the master of his household. Besides, there are also economic reasons for family-based agricultural activity: Manpower is cheaper and individual farmers enjoy tax benefits, too. Foreign experience also confirms this because the EC only provides assistance to natural persons.

[Farkas] If cooperatives have no future, what will happen to the agricultural intellectuals nicknamed "green barons" [zoldbaro]?

[Szabo] This fashion of such name-calling is over, and I have never agreed with this. One should not generalize such names, but the offenders should be concretely named. The Agricultural Ministry should call upon the 50,000 agricultural intellectuals because agricultural development cannot be imagined without them. These people have a place in services and giving professional advice, and I would like to see a growing number of such people also engaged in agricultural production.

[Farkas] What is the blueprint of your ministerial program?

[Szabo] The cornerstone is that the government has an agricultural program that must be accepted and carried out. Guaranteeing the operation of the agricultural sector is a task that cannot be delayed. The acceleration and conclusion of the compensation process, providing ownership status, providing capital to farmers, and a quick organization of the flow of information and professional advice are among our strategic tasks. Accelerating our economic diplomacy is a major task. We must pay attention to the eastern markets because, despite our association with the EC, we will continue to have a greater scope of movement in the east for a long time.

Parliament Ratifies Open Skies Agreement

LD2202181193 Budapest MTI in English 1743 GMT 22 Feb 93

[Text] Budapest, February 22 (MTI)—Parliament ratified an Open Skies agreement Monday [22 February]. Open Skies enables NATO and former Warsaw Pact members to monitor territory within a 150-km range and 10-km altitude ceiling and observe possible military preparations.

Canada worked with Hungary to create the joint system guidelines. The first test flights were conducted by Canada, Denmark and Russia over Hungary between 5 and 9 October 1992.

The international monitoring and supervision system was set up by 25 countries, including Hungary, last March to build military confidence.

Hungary and Romania conducted flights over each other's territories after concluding an Open Skies agreement in December.

Cooperation With Russian Intelligence Planned

LD1902154693 Budapest MTI in English 1454 GMT 19 Feb 93

[Text] Budapest, February 19 (MTI)—Yevgeniy Primakov, Russian intelligence director, is in Budapest, invited by Tibor Fuzessy, minister without portfolio in charge of civil national security.

A communique from Fuzessy's office on Friday [19 February] says Primakov talked to Brig. Gen. Kalman Kocsis, director-general of Hungary's Information Office, and Brig. Gen. Sandor Simon, director-general of the National Security Office, as well as the minister. They agreed to jointly fight terrorism, illegal drug and arms trading, and international organised crime, and to cooperate to prevent the spread of weapons of mass destruction.

They also discussed several regional political issues.

Primakov will also meet Prime Minister Jozsef Antall.

Romanian Senator Views Visit to Budapest

AU1902143193 Budapest MTI in English 0909 GMT 18 Feb 93

[Text] Budapest, 18 February (MTI)—"I do not believe Hungarian policy aims at the European isolation of Romania. My visit to Budapest has convinced me that an agreement can be reached in every situation," the president of the Human Rights Committee of Romanian Parliament's Senate and House of Representatives, Tanese Tavala, said, evaluating his visit to Hungary.

Tavala, who headed a delegation on a visit to Hungary, on Wednesday [17 February] met members of Hungarian Parliament's Committee on Human Rights, Minority, and Religious affairs. The delegation was also received by the deputy secretary of state of the Foreign Ministry, Ivan Baba.

In an interview with the national daily NEPSZABADSAG, carried in the Thursday issue, Tavala said he does not believe Hungary obstructs Romania's road towards European integration, and within this, towards the Council of Europe. Those who state anything contrary to this are in a minority, he said.

According to Senator Tavala, Romania's integration in the European organizations is in the interest of Hungary as "if we reach the European structure, that will have suitable effects also on the situation of the Hungarian minority."

Cooperation Planned With Norwegian Army

LD1902125393 Warsaw PAP in English 1206 GMT 19 Feb 93

[Text] Warsaw, Feb. 19—Polish and Norwegian Armies will cooperate within U.N. peace missions and CSCE armaments inspections, Norway's Minister of Defence Johan Jorgen Holst told a press conference on Friday [19 February]. The Armies are also to launch cooperation in controlling army-caused pollution, he said.

Further on Cooperation

AU2202152493 Warsaw PAP in English 1533 GMT 19 Feb 93

[Text] Warsaw, Feb. 19—Ending his three-day visit to Poland, the Norwegian defence minister said that NATO is not considering at present the possibility of admitting new members to the organization. He noted, however, that the cooperation between NATO and the Visegrad group member states is intensifying.

Polish Minister of Defence Janusz Onyszkiewicz said he hoped that Poland's future membership in NATO will be a result of a "natural process and not a dramatic situation" in Europe.

Norway To Help With Adjustment to NATO Systems

AU1902145793 Warsaw PAP in English 2139 GMT 17 Feb 93

[Text] Warsaw, Feb. 17—Poland can expect Norway's assistance during adjustment to NATO standards when Poland becomes a member of the North Atlantic Treaty Organization, spokesman for the Defence Ministry Leszek Ziolo said today after a meeting in Warsaw between Norwegian and Polish Defence Ministers Johan Jorgen Holst and Janusz Onyszkiewicz.

According to Ziolo, Norway perceives Poland as one of the most stable countries in Central and Eastern Europe and one which contributes to the stabilization in the region.

Both defence ministers discussed, among other topics, the current situation in the former Soviet republics and prospects for cooperation among the Visegrad group countries.

During a meeting with the head of the National Security Office attached to the Presidential Chancellery, Jerzy Milewski, held later in the day the Norwegian guest was briefed on the main assumptions of Poland's defence policy. Milewski stressed Poland's strivings to join NATO structures and simultaneously emphasized the significance of Poland's good relations with eastern neighbours.

In his talk with Milewski, Minister Holst expressed an opinion that the broadening of NATO was connected with the drafting of a new concept of the alliance. The current situation in Europe presents a challenge to NATO which has to adjust its structures to new realities. NATO's new functions will go beyond the territory of its member-states, he stressed.

Minister Holst, who arrived for a three-day official visit to Warsaw to discuss cooperation and European security with Polish politicians, also met today Foreign Minister Krzysztof Skubiszewski and members of the Sejm (lower house) defence committee.

Nixon's Warsaw Talks on Poland, Russia Situation

LD1902232193 Warsaw PAP in English 2245 GMT 19 Feb 93

[Text] Warsaw, Feb. 19—Former U.S. President Richard Nixon, paying a brief private visit to Poland was received by President Lech Walesa on Friday [19 February].

During the meeting, Walesa voiced anxiety over the condition of the economy in former communist states. The Polish president also expressed the opinion that the West's efforts to assist those countries in their market-oriented transformations were too small.

Developments in Poland and in neighbouring states, especially in Russia, dominated Nixon's meeting with Polish Foreign Minister Krzysztof Skubiszewski.

After the meeting, the former U.S. President stressed that changes currently taking place in this part of Europe are of great importance to the United States. He praised the process of transformations carried out in Poland and said he would discuss Poland's situation with members of the American Congress after his return to the U.S.

Coming out of the meeting with Prime Minister Hanna Suchocka, Richard Nixon said that "Poland's miracle" is a road sign which should be followed by other post-communist states, adding that he intends to encourage Western enterprises to invest in Poland.

He also said that together with Suchocka they agreed as to the fact that the stability of democracy and political and economic freedoms in Russia and Ukraine is important not only for Poland but also for the entire West and world peace.

Extradition Convention Signed in Paris

AU2202122393 Warsaw PAP in English 2120 GMT 19 Feb 93

[Text] Paris, Feb. 19—Poland's ambassador to the Council of Europe, Jerzy Regulski, signed the European convention on extradition and the European charter on local government in Paris in the presence of the Council's secretary general, Catherine Lalumiere, today.

Poland thus became the 23rd European member of the convention and the 16th European signatory of the charter. The convention allows for the extradition of suspected criminals but not those suspected of political or military offences. The charter sets legal standards for local government.

Joint Ukrainian Conference on Minorities Opens

AU2302104193 Warsaw PAP in English 1728 GMT 20 Feb 93

[Text] Krakow, Feb. 20—Participants in a Polish-Ukrainian conference entitled "New Challenges-New Responsibility" which started in Krakow on Friday [19 February], devoted their Saturday debate to the exchange of experience in reforming the economies of Poland and Ukraine and a discussion on conditions for creating new economic ties between the two countries.

The three-day conference, held by 200 representatives of Polish and Ukrainian political and business circles, was organized by the International Centre for the Development of Democracy in Krakow, the Warsaw-based Stefan Batory Foundation, and the International Foundation "Rebirth" from Kiev.

According to Ukraine's Deputy Minister of the Economy Leonid Minin, Ukraine can use Polish experiences in transforming the agricultural sector and the privatization of trade. Other changes modelled on Polish reforms, given the economic situation of Ukraine, could lead to a social outbreak, Minin told the conference.

Repatriation of Poles From Kazakhstan Urged

LD2302103593 Warsaw Radio Warszawa Network in Polish 0400 GMT 23 Feb 93

[Text] The Ombudsman Tadeusz Zielinski has asked Foreign Minister Krzysztof Skubiszewski to take steps preparing the repatriation of Poles deported to Kazakhstan and other places of forced exile during World War II and after the war by the then Soviet authorities.

Russian Ambassador Approves Idea of Invitations

AU1902150893 Warsaw PAP in English 2127 GMT 18 Feb 93

[Text] Warsaw, Feb. 18—Russian Ambassador Yuriy Kashlev appealed in Warsaw today for changes to the regulations on invitations for Russian visitors to Poland to be dealt with as quickly as possible. Kashlev was speaking at a meeting devoted to Polish-Russian relations at the House of Russian Culture in Warsaw.

Kashlev said that he liked Poland's plans to register invitations for Russians, charge a high fee for them and make the people granting the invitations fully responsible for their guests. He added that this could markedly decrease the influx of "irresponsible elements" from Russia and at the same time improve the image of Russians in Poland.

The ambassador stressed that the meeting between the presidents of Poland and Russia at the beginning of summer would be of great importance for both countries and that ten new agreements would be signed then, most of them concerning economic matters.

He hoped that the question of indebtedness would be solved before Russia's president visits Warsaw.

Kashlev emphasized that Poland's desire to become part of Europe was shared by Russia but that, "nobody is in a hurry to come to us from Europe, they do not like poor people there, and both you and we are poor."

He argued that "anybody who thinks we are no longer a superpower is mistaken. We used to occupy one sixth of the earth's surface, today we occupy less because the amount is one seventh. However our potential remains great. We only need to organize anew and develop."

Lithuanian Foreign Minister Pays 'Fruitful' Visit

AU2202152293 Warsaw PAP in English 1910 GMT 19 Feb 93

[Text] Warsaw, Feb. 19—The successful and fruitful visit of Lithuanian Foreign Minister Povilos Gylys, who stopped over in Warsaw on his way from Stockholm to Vilnius last Thursday [18 February], is a symptom of intensifying Polish-Lithuanian relations, Foreign Ministry spokesman Grzegorz Dziemidowicz said today.

Dziemidowicz added that Minister Gylys had assured Polish Foreign Minister Krzysztof Skubiszewski that there was no "special policy concerning the Polish community in Lithuania," and if problems arise they are never of an ethnic nature.

The Polish Foreign Ministry said that considerable progress was made in the work on the Polish-Lithuanian treaty whose proposal is being examined in Vilnius at the moment.

Talks held by Minister Gylys focused first of all on economic questions. Lithuania is interested in the introduction of new regulations on free-trade zones, development of transport and trade with Poland, and in the construction of the "Via Baltica," a highway from Germany to Finland.

Swiss Firm Invests in New Business Magazine

LD2302120793 Warsaw PAP in English 1129 GMT 23 Feb 93

[Text] Warsaw, Feb. 23—The Swiss company "Ringier" has invested 1 million Swiss francs in a venture to publish a Polish version of its economic weekly "CASH," the new magazine's Editor in Chief Mariusz Ziomecki announced on Tuesday [23 February].

The new magazine will be addressed to the new middle class, the people who are starting to function in the emerging free market in Poland, Ziomecki said.

The "Ringier" company first published the "CASH" magazine several years ago in Switzerland. After success in the domestic market, the company decided to publish the magazine in Czech Republic, Slovakia and Romania.

French Minister on Polish Position in Europe

LD2202221293 Warsaw PAP in English 2111 GMT 22 Feb 93

[Text] Warsaw, Feb. 22—French Defence Minister Pierre Joxe said at a press conference in Warsaw on Monday [22 February] that "to France, the position of Poland in Europe is unquestionable, Poland is one of the countries closest to France."

Minister Joxe's one-day official visit was to agree the programme for this year's planned contacts between the French and Polish Armed Forces. He did not rule out cooperation between both countries' military industries and said a joint committee was working on the respective declaration.

Pierre Joxe also met with Polish Defence Minister Janusz Onyszkiewicz but details of the meeting have not been disclosed. He also talked with Foreign Minister Krzysztof Skubiszewski and Chief of the National Security Office at the President's Chancellery Jerzy Milewski, who was invited to pay a visit to France.

In a conversation with Milewski, Minister Joxe said that France did not contemplate the return to NATO military structures, though there are forms of cooperation between the French Army and NATO.

Walesa Comments on Immigration Problems

AU2202165493 Hamburg DER SPIEGEL in German 22 Feb 93 pp 34-35

[Interview with Polish President Lech Walesa by unidentified reporter; place and date not given: "The House Is Burning"]

[Text] [DER SPIEGEL] Mr. President, a year ago, you said in a DER SPIEGEL interview that Poland would "form a lane" for the increasing number of refugees from the East and "send" them to Germany.

[Walesa] By using such a drastic metaphor at that time, I only wanted to illustrate how pressing the issue is. The great migration wave that I have always predicted started rolling long ago. The house is burning, but we have just started building the well.

[DER SPIEGEL] One could also say that Bonn is building the well, and Warsaw is supposed to extinguish the fire.

[Walesa] No. The refugee problem must be borne by all concerned—target countries like Germany and Austria, transit countries like Poland and the Czech Republic, and countries of origin such as Romania and Bulgaria. All three groups of countries must find a compromise within the framework of a pan-European solution to block the storm by common effort. We know what is important for us and Europe. We do not want Germany to be destabilized by an excessive wave of refugees. We must protect Germany from confusion. Nor can we allow the refugees who were turned down in Germany to come back and destabilize our country. This cannot be Germany's wish either.

[DER SPIEGEL] What do you suggest?

[Walesa] The two governments must find the necessary compromise. Our border must no longer be so penetrable by people who misuse the asylum law in Germany. This is a challenge that we must meet. What is certain is that things cannot continue like this—neither in your country nor in ours.

[DER SPIEGEL] Bonn is urging Warsaw to introduce mandatory visas....

[Walesa] We are considering other methods. Mandatory visas alone will not eliminate the problem. We must reach agreement with all countries concerned. If we are unable to do so, we must turn to an international organization. I have long suggested various solutions that have not been implemented. We need, for instance, closer economic and political cooperation between the states of our region. I think about the so-called Visegrad triangle, a cooperation treaty between Poland, Hungary, and the former Czechoslovakia. This is a way to prevent international disorder.

[DER SPIEGEL] Bonn also expects Poland to increase the protection of its eastern border against refugees from the former Soviet Union.

[Walesa] The Germans are right. That is more important than the introduction of mandatory visas. It is in both countries' interests. Europe, however, should keep the people were they live. For three years, Europe—particularly Central and Eastern Europe—has been lacking the great strategies for the democratic transformation of the old system at the political and economic levels. My concept of how to ensure unhindered economic development and political peace in our region has not yet been put into practice. We must finally start developing such strategies.

[DER SPIEGEL] Are you feeling like the executive organ of the Germans when and if they send refugees promptly back to you?

[Walesa] That is not the point. If we consider all parties involved, the people will not be sent back to Poland but to their countries of origin—Romania, Bulgaria, and so forth. I want to solve the problem wisely, and not according to the motto: They have passed through your country, so take them back. That is dangerous because there are not only peaceful people among the returnees.

[DER SPIEGEL] Many Polish politicians are feeling run over by the Germans.

[Walesa] That would be dangerous. We do not stand at the wall, we negotiate. What counts is the result. It is correct, however, that the Germans are arrogant sometimes because they are so strong, but the refugee problem cannot be solved by arrogance. Do not misunderstand me—we accept the reasons given by Bonn. We say that Germany is right, things cannot continue like that. Nor can things by any means continue the way some Germans apparently wish them to go—with all refugees coming back to us. That is no solution. Let us look for a better way.

[DER SPIEGEL] There may be politically persecuted people among those whom you intend to return to their countries of origin. Poland has committed itself to observe the principles of the Geneva convention on refugees.

[Walesa] Very few are fleeing for political reasons. If they cite this as a reason, however, Poland will examine their case just as Germany does.

[DER SPIEGEL] To put a brake on the wave of refugees, massive economic aid for the states of the former Soviet Union is required. Are you expecting the Germans to give more aid to this region?

[Walesa] That is not only a task for the Germans. They have enough problems of their own. It would mean that everything would be loaded on the Germans' shoulders.

[DER SPIEGEL] So must all of Europe give aid to fight the causes of migration?

[Walesa] I called for new strategies for the transformation of the old system. The point is not just material aid. We must not forget that the East has economic potential, even though it lags far behind the West. The West does not have to give development aid, it must see to it that it makes money. We must restructure our production. In the past, we built replacement parts for the Trabant car. Why should we not build parts for Mercedes?

[DER SPIEGEL] The Iron Curtain in the middle of Europe has fallen. Now a new demarcation line further east seems to be emerging. Is this how you viewed Europe after the end of the cold war?

[Walesa] Neither we nor the Germans want a new iron curtain. It would be against anyone's economic interests. We cannot tolerate this refugee chaos either.

Intelligence Chief Denies Police-State Activity

AU1902164393 Warsaw RZECZPOSPOLITA in Polish 16 Feb 93 p 1

[Interview with Jerzy Konieczny, chief of the Office for the Protection of the State, by Krystyna Chrupkowa; place and date not given: "A Safe State, Not a Police State"]

[Excerpts] [Chrupkowa] Suggestions about expanding the powers of the police and the Office of the Protection of the State [UOP] seem to indicate that not only has the UOP filled the vacuum left by its predecessor, but it is strong enough to dictate terms.

[Konieczny] The only correct thing you have said is that the UOP has filled its predecessor's vacuum. The rest is pure demagogy. In fact, the UOP's capabilities are limited. Our legal possibilities of operation, applied in a very restrictive manner, mean that there are various spheres of wrongdoing in which we have no right to conduct operations, even though no one has released us of the duty to possess information from these spheres and convey them to the state leadership. This contradiction has its roots in the past. When the country's new structures were established, the UOP's chief task seemed to be to protect people from the clutches of the secret police, which was still fresh in everyone's mind. This has already been achieved. Today, something more is required. Today we are no longer facing the choice of either a democratic state or an undemocratic one. Today the choice is either a secure and strong state or a weak one. Therefore what we want to do is consolidate the state and thus protect society. [passage omitted]

[Chrupkowa] One hears accusations that the UOP is still full of people from the old secret police.

[Konieczny] The process of rejuvenating and reinforcing the UOP by means of fresh cadres is a constant one. Apart from that, we wish to increase the UOP's apolitical nature. Not only must UOP employees not belong to any party, they must not take part in the work of any party or support it in any way.

[Chrupkowa] Do you agree that people generally view the UOP as an external force vis-a-vis the country?

[Konieczny] Yes, unfortunately, although we are not considered evil. Our job is to uncover dangers to the country and supply information to the country's leadership.

Sejm Groups Discuss Government Decree Powers Bill

AU1902162493 Warsaw PAP in English 2249 GMT 17 Feb 93

[Text] Warsaw, Feb. 17—Following today's meeting of parties making up the government coalition which discussed the draft law on granting the cabinet the power to issue decrees, head of the Cabinet Office Jan Maria Rokita described the situation as "unclear."

Representatives of the Christian National Union (ZChN) presented a list of more than a dozen reservations to the draft. The party spokesman said it was possible the Sejm debate on the draft, due tomorrow, would be postponed.

Discussions held by individual Sejm caucuses today suggest that the draft will be supported by the coalition parties, although not without some reservations, but will be opposed by the opposition parties, both leftists and rightists.

The Solidarity caucus will most likely vote for the rejection of the draft unless it is made more specific and the validity of the special powers is shortened.

The Confederation for Independent Poland (KPN) proposes to delete the special powers debate from the Sejm agenda.

The Democratic Left Alliance (SLD) charged that the draft went too far in limiting the powers of the Sejm in such areas as the economy, social affairs and civil rights.

The Centre Alliance (PC) described the draft as a "legislative curio." Besides, the government has failed to present a clear concept of what it will do once it receives the special powers.

The Christian National Union (ZChN) caucus formulated numerous reservations to individual provisions of the draft and proposed that all decrees require an unanimous decision by all government ministers. Moreover, the caucus wants to shorten the duration of special powers from the proposed 18 to just 6 months.

The Polish Liberal Programme (PPL) deputies want to subject decrees to parliamentary supervision, something which is not made completely clear by the draft.

Government, Solidarity Sign State Enterprise Pact

LD2202153393 Warsaw PAP in English 1505 GMT 22 Feb 93

[Text] Warsaw, Feb. 22—Government and Solidarity representatives on Monday [22 February] signed the long-negotiated "pact on state enterprise." The document was signed in the presence of Prime Minister Hanna Suchocka by Labour Minister Jacek Kuron, leader of the Solidarity trade union Marian Krzaklewski and Chairman of the Confederation of Polish Employers Andrzej Machalski.

$100 Million Japanese Loan Endorsed

AU2202210993 Bucharest ROMPRES in English 1816 GMT 22 Feb 93

[Text] Bucharest, ROMPRES 22/2/1993—In its Monday, February 22 sitting, the Romanian Chamber of Deputies voted in favor of the bill on the ratification of the loan agreement between Romania and Japanese "Export-Import Bank," signed in Tokyo on December 18, 1992.

In his address Minister of State Florin Georgescu, minister of finance, showed the loan—100 million U.S. dollars—was granted under advantageous conditions, and substantiated with the low interest, the five-years' grace and the 17-year repayment term.

Deputy Mircea Ciumara (Christian Democratic National Peasant Party) asked for explanations on the way foreign credit was to be used and Minister Florin Georgescu answered it was to be used for imports of raw materials and wheat.

On the occasion the finance minister showed that on December 31, 1992, Romania's foreign debt was 2 billion U.S. dollars.

Parliamentarians, EC Official Discuss Reform Issues

AU1802144193 Bucharest ROMPRES in English 1217 GMT 18 Feb 93

[Text] Bucharest, ROMPRES 18/2/1993—During a meeting on 18 February with members of the Standing Commissions for Foreign Policy of the two chambers in Romania's Parliament, the raporteur for Romanian-EC relations at the European Parliament, Leopoldo Ortiz Climent, highlighted that "presently, there is a general European interest in supporting Romania. Europe needs Romania unity both democratically, culturally, as well as economically and politically," said the raporteur.

The guest had a meeting with members of the economic commissions in the Senate and the Chamber of Deputies and with members of the Commission for Privatisation in Romania's Senate.

During the meetings, an extensive exchange of information was made, Mr. Climent showing his interest in gathering information especially about economic issues related to the reform and about the course of privatisation. Also approached was Romania's role as a factor of stability in part of the continent between the Black Sea and the Adriatic.

After the two meetings, Mr. Climent hailed "the colourful representation of political parties at the talks," which gave him the opportunity to remark that Romanians "gathered around the same table for defending national interests." "That is why I am going to defend myself what you are defending too, including Romania's integration within European Community structures," said Mr. Climent.

Iliescu Sends Message to Ethnic Groups' Symposium

AU2302095093 Bucharest ROMPRES in English 0930 GMT 23 Feb 93

[Text] Bucharest, ROMPRES 23/2/1993—In a message to the participants in the International Symposium on Ethnic Groups in the World Today, Communication and Cooperation, now taking place at the Romanian Academy, Romanian President Ion Iliescu stressed inter alia that "Romania is a unitary national state, a reality consecrated by its constitution.

"The new democratic structures of the country, the consolidation of the state of law and of the civil society provide guarantees for the observance and assertion of the fundamental human rights, including the rights of persons belonging to ethnic minorities."

The president showed "we will do everything in our power for the assertion of ethnic, linguistic, cultural and religious identity of the minorities. But we should also say that the tendencies of territorial autonomization upon ethnic bases run counter to the constitution, affect the country's integrity and are consequently unacceptable.

"We want to build a society of fine coexistence and harmony among all citizens of Romania, a society in which all citizens should enjoy the fruit of democracy and reforms, we should not introduce ethnic barriers and administrative frontiers among them. The stands for isolation of ethnic groups or nations in the world today, especially if they find also political forces to endorse them, generate tensions. Such stands are in disagreement with the requirements of our time. They have nothing in common with democracy. We should find forms by which the cultural identity of the ethnic groups should be protected and preserved as an asset of today's world," the message reads.

Nastase Holds News Briefing on Legislative Activity

AU1202180693 Bucharest ROMPRES in English 1616 GMT 12 Feb 93

[Text] Bucharest, ROMPRES 12/2/1993—The speaker of the Chamber of Deputies, Adrian Nastase, told a Friday, February 12, press conference, that the legislative activity would enter a race around the clock. Sixty-eight draft acts have been referred to the Chamber of Deputies. Adrian Nastase mentioned that the Government Programme and the budget for the current year would be the first to be discussed.

The speaker of the Chamber of Deputies disavowed politicking and added that politics falls to parliament, among other things, but in this case the policy to be pursued has to be related to major national interests, otherwise the Chamber goes back on its main target.

The Chamber of Deputies is willing to look, together with journalists, for an efficient access of the press to the sources of information available at parliament, added the deputy.

On another line of thought, Adrian Nastase said that he, for one, thought that Romania could host the proceedings of the future session of the Black Sea Parliamentary Assembly, comprised of come 60-70 MP's [members of parliament]. He mentioned that the presidents of the parliaments of the Black Sea countries would meet in Turkey late in February, when they might tackle this issue as well.

Possible Opposition Coalition Government Viewed

AU2202150493 Bucharest ROMPRES in English 1022 GMT 22 Feb 93

[Text] Bucharest, ROMPRES 22/2/1993—In the 21 February issue of his daily EVENIMENTUL ZILEI editorialist Ion Cristoiu heralds changes in the Romanian political arena by a redistribution of forces. On one side the Democratic Convention of Romania (CDR), the National Salvation Front (FSN), and the moderates in the Democratic National Salvation Front (FDSN—the ruling party). On the other, the Socialist Party of Labor (PSM), the Greater Romania Party (PRM), the Romanian National Unity Party (PUNR), and the hard liners in FDSN. This division reflects their stances to the reform. Moderates are for keeping the reform going. They have the FSN and the CDR on the same side of the barricade. Their concept is that the only way Romania should go on is the transition to a market economy, is to install and integrate Romania in European structures. The hard liners of the ruling party share the same view with the PSM, PRM, and PUNR, according to which reform should be stopped, although none of these political forces openly admits it, first of all because they are afraid of President Ion Iliescu. He is strong enough and opposing him would be risky. And he is now on the liberals' side.

Starting from this new profile of the Romanian political life, Cristoiu says it is not adventuresome at all to talk at this stage about the likelihood of a new government alliance, comprising the moderate FDSN wing, CDR and FSN, which sooner or later could tailor a coalition government having reform, democracy, and European integration as basic objectives of its program. This would place PSM, PRM, and the FDSN conservatives in opposition.

The rationale of this redistribution theory is that, dominated by moderates, FDSN can no longer afford association with a group dragging it to the left and spoiling its international image.

Coposu Says Government Program 'Too General'

AU2202161193 Bucharest ROMPRES in English 1532 GMT 22 Feb 93

[Text] Bucharest, ROMPRES 22/2/1993—Corneliu Coposu, chairman of the Christian-Democratic National Peasant Party, PNTCD, saluted at the Monday, February 22, news conference of his party, the creation of the Liberal Party, and mentioned that, to his mind, the unification of the liberal movement was absolutely necessary, both for the good functioning of the constitutional mechanism and in order to ensure the representation of modern liberalism. The PNTCD leader announced that he would attend an international Christian Democratic congress to be held, in Brussels on March 1-3.

According to the PNTCD leadership, the governing programme, made public a couple of days ago, is "generous," but "too general."

The news conference was told that the PNTCD press organ, "DREPTATEA," had been temporarily suspended, for financial and organisational reasons.

Government's Draft Reform Strategy Discussed

AU2202150893 Bucharest ROMPRES in English 0931 GMT 22 Feb 93

[From the press review of 22 February]

[Excerpt] Bucharest, ROMPRES 22/2/1993—The governing program of the Vacaroiu cabinet, to be presented this week in Parliament, forms the main topic for most of the central dailies today.

CURIERUL NATIONAL: "The importance of the program lies, before anything else, in the clear statement for the first time of fundamental principles integrated in a coherent structure. (...) The vast sanitation operation cannot be effected overnight, but the strategic principle underlying all tactical measures of the ministries is set forth. (...) It remains to be seen how accurate the government's estimation of the available resources and of the citizens' endurance of transition pains is."

TINERETUL LIBER finds the transition program as "not being a populist offer, as the electoral platform of the Democratic National Salvation Front (FDSN) and the promises of its candidates foretold. On the contrary, it is going to be an austerity program, based on the tough realities of the Romanian economy which is struggling with meager resources, malfunctioning, and with the unavoidable costs of restructuring. It will be interesting to see reactions when the program is officially presented to the two houses of Parliament."

COTIDIANUL notes that "the transition program assumes none of the phantasmagoric 'presidential—FDSN-ist' electoral promises. The program takes into accounts real facts and, as a whole, supports the reform, but at the pace of a loss-inflicting economic caution."

ADEVARUL carries ample excerpts of the economic and social reform strategy of the governing program and EVENIMENTUL ZILEI considers that "the government's program promises to be a reformist one," and that "it certainly proves to be the product of the FDSN's moderate wing." The same daily remarks that President Ion Iliescu is to start today a series of consultations with the political parties, and estimates that, with the present political layout and economic hardships, "there is every chance that, leaving aside differences of opinion and incommensurable ambitions, the consultations at Cotroceni will end in a coalition government." [passage omitted]

Officials, Unions Discuss Wages, Price Issues

AU2302073793 Bucharest ROMPRES in English [illegible]845 GMT 22 Feb 93

[Text] Bucharest, ROMPRES 22/2/1993—Monday, February 22, the talks continued between government representatives and trade union federation leaders as well as representatives of the employers on the methodology for pay indexations in direct relation with price rises.

The government side proposed that for the months of January and February 1993 the average worth of indexation per employee—computed according to the forecast rise of consumer goods prices over January-April 1993—be 3,450 lei, which would mean a 9.1 percent pay-raise as compared to September-December 1992.

The amount of that average indexation per employee would cover approximately 80 percent of the estimated increase in consumer goods prices over January-February 1993.

For the March-April period the government proposition requests that the other sides re-examine the forecast on price rises over the whole January-April period, also taking into account the evolution of price rises over January-February. For the same period the degree to which the price rises are covered will be re-examined too, according to the evolution of salaries, production and productivity.

The trade union confederations did not agree to a re-examination of the degree to which price rises are covered over March-April according to the evolution of production and productivity.

Afterwards, in the presence of Premier Nicolae Vacaroiu, the talks approached the articles of the national collective labor contract left unsolved by the negotiations between the trade union confederations and the representatives of the employers.

PUSD Opposes Conditions for NATO Integration

AU2202211093 Bucharest ROMPRES in English GMT 1724 GMT 22 Feb 93

[Text] Bucharest, ROMPRES 22/2/1993—"PUSD (Party of Social Democratic Union) does not oppose Romania's integration in NATO but the integration conditions, which imply huge participation funds" said Radu Teodoru, PUSD president, in an address to that party's weekly press conference.

He also underscored that his party was definitely against Romania's participation in NATO's military actions, like for instance the war in Yugoslavia, because "we mustn't be world gendarmes." If NATO guarantees Romania's security, integrity and national sovereignty we are in favor of the integration, said Radu Teodoru.

He went on to express violent criticism of President Ion Iliescu's position regarding NATO, considered by Teodoru "a radical change as to the principles expressed in his own political programme set forth before the presidential elections."

Referring to the immense inflation in Romania, to the gap between salaries and the consumer goods' prices, the PUSD president warned the decision-makers of a possible "radicalization of the malcontent masses which might lead to serious movements likely to open the way for dictatorship."

He also warned of the "veil" of silence thrown by the authorities over the great fraudulent deals in the last three years, "silence being in fact complicity."

PSM: European Integration Will Not Solve Problems

AU2202211493 Bucharest ROMPRES in English 1625 GMT 22 Feb 93

[Text] Bucharest, ROMPRES 22/2/1993—Tudor Mohora, deputy chairman of the Socialist Party of Labour, PSM, told a Monday, February 22, news conference, that in the opinion of his party, last week's greatest event was the issuance of the long-term governing programme, that is going to be debated by parliament. If it proves to be viable and contain solutions to stop the economic decline, we shall back it, said Mr. Mohora.

The PSM deputy announced that President Ion Iliescu was going to receive Friday, February 26, PSM leaders. The agenda includes the governing programme, the situation in the Balkans, Romania's integration in European structures. The speaker voiced his satisfaction with the results of President Iliescu's recent visit to Brussels, but mentioned that "the euphoria" expressed by certain circles was an exaggeration, as a possible integration within European structures would not automatically solve the problems facing Romania. "We need mutually advantageous exchanges and do not oppose the reform, as had been said about us, but we have to be realistic, mentioned the PSM deputy chairman.

Tudor Mohora told he press that he did not think a restoration was possible. He said his party might make alliances with other parties. An economic relaunching is not possible without national reconciliation, including the release of political detainees, opined Mr. Mohora.

PUNR Demands Legal Steps Against UDMR Local Officials

AU1802173793 Bucharest ROMPRES in English 1559 GMT 18 Feb 93

[Text] Bucharest, ROMPRES 18/2/1993—The Romanian National Unity Party [PUNR] assesses in a statement released in Cluj that "the UDMR's [Democratic Union of Hungarians in Romania] definite refusal to participate in a dialogue with PUNR proves once more that this formation leads a policy directed against the Romanian people's interests."

"The invitation extended to UDMR to dialogue in Cluj-Napoca," the statement reads, "was meant to avoid further anti-Romanian actions committed by this political formation." In this respect, the statement refers to the election on February 19 of the members of the town councils and of the candidates to the leading offices of the county prefect's offices in the counties of Covasna and Harghita, to the preparation by the UDMR of a package of legislative proposals demanding the amendment of certain texts in Romania's Constitution in view of achieving fast Hungarian self-administration in Transylvania, and to the setting up, planned for February 20, of the ethnic parliament, an illegal body. The statement shows that the Budapest officials drafted a calendar of actions which the UDMR is to accomplish for the attainment of the aspirations after autonomy and self-governing on ethnic principles in Transylvania.

Pointing out that the Gheorgheni conference [as received] will be attended by Erik Gyula Keszthelyi, a counselor in the Hungarian Department for the Hungarians Outside the Frontiers, Eva Maria Barki, Chairman of the International Committee on Transylvania, Miklos Meszoly, Chairman of the "Pro-Minority" Foundation of Budapest, and Eva Blenesi, Director of the Department for Central and Eastern Europe of the Democratic Youth Federation of Hungary [FIDESZ], the PUNR statement mentions that the documents to be discussed and endorsed at Gheorgheni "bear the warrant of the Prime Minister of Hungary."

PUNR demands that the Romanian Government should open an inquiry against all UDMR mayors and town councillors who breached their oath, as well as the suspension from office of the UDMR representatives in the local public administration who got involved in anticonstitutional actions.

UDMR Council Discusses PUNR Ultimatum

AU2302091193 Bucharest ROMPRES in English 0833 GMT 23 Feb 93

[Text] Bucharest, ROMPRES 23/2/1993—The Democratic Union of Hungarians in Romania [UDMR], elected the members of its Council of Representatives, the supreme decision body of the party, in a meeting held in Gheorghieni. Tamas Csiha was elected president of the Standing Bureau of the Council, while Csaba Takacs was elected executive president.

UDMR representatives participating in the conference considered the ultimate statement made by the chairman of the Romanian National Unity Party [PUNR]. They say that this statement voluntarily misinforms and calumniates the UDMR by distorting the facts and consequently it does not serve a sincere dialogue but, on the contrary, induces new strains.

The UDMR Council of Representatives suspended proceedings on February 20 and decided to resume them after a month.

The council included representatives of the parliamentary groups, of political platforms inside the UDMR (the liberals, the Christian democrats, the national-liberals), of the youth organization, of UDMR counselors and mayors, the chairmen of the UDMR county organizations, and the 21 delegates elected at the last congress of the party held in Brasov.

Bela Marko, president of UDMR, opined that the council had a "multicolored composition" and included "all the politically involved strata in UDMR".

Severin Sees Need for Government Reshuffling

AU2302113493 Bucharest ROMPRES in English 1044 GMT 23 Feb 93

[Text] Bucharest, ROMPRES, 23/2/1993—"I believe a government reshuffle is needed," opines Adrian Severin, National Salvation Front [FSN] senator. "The current government has generated the phenomena of blocking and restoration, which are extremely dangerous," the opposition senator opines. "In this context, a government reshuffle that should be not only a change of persons but a change of political orientation, is necessary." The FSN leader says his party is for participation in governing, but "the question is that we should govern in order to apply your own program, even if in a compromise format, and not govern just to assume responsibility for the application of others' programs. This is possible only if a majority pro-reform coalition is achieved in the Parliament."

Severin opines that the current government cannot hold on for another three-and-a half years, since "by the policy it is conducting it will lead to such social, economic, political tensions that I fear it will be not the Parliament that will decide its replacement but people's discontent, although we do not agree with such practices. We must not forget that the Democratic National Salvation Front holds one-third of the Parliament seats and in this way it can by no means maintain the government by itself. A government crisis is possible any time," Adrian Severin stresses.

Negritoiu Discusses Economic Restructuring

AU2302094793 Bucharest ROMPRES in English 0910 GMT 23 Feb 93

[Text] Bucharest, ROMPRES 23/2/1993—"We have advanced to the Parliament a program of economic restructuring relying on the Romanian economy's own resources, without recommending funds earmarked out of the state budget," told daily CRONICA ROMANA Misu Negritoiu, minister of state, chairman of the Coordination, Strategy and Reform Council. "It will be a real reform, resting on the elimination from the economic flow of the units that are not remunerative, on closing the ways of national income drain. The restructuring also pursues the consolidation by direct and indirect means of the economic branches and units that have an obvious productive potential. It will be a reform from the economy, through the economy, for the economy," Negritoiu added.

Terming the situation of the Romanian economy in terms of reform, the minister said: "The situation is a specifically Romanian one, being determined by two fundamental features: an economic structure built upon rather antieconomic criteria and an investment policy practiced in the latest 15 years, matched by a quite arbitrary earmarking of resources. The inadequate earmarking of resources shows today in the precarious situation of the economy. To say nothing of culture, education, health."

The Romanian minister opined that "actually,no reform has been achieved in Romania so far, as the economy works on the same structural system as it did in socialism. The fact that the market mechanisms have started operating and determine mounting rates of unemployment and inflation is something else. Actually, the purpose of the reform is the revigoration of economic growth, matched by an improvement of the living conditions and real social protection," the minister concluded.

Current Economic Exchanges Reviewed

AU2302090493 Bucharest ROMPRES in English 0803 GMT 23 Feb 93

[Text] Bucharest, ROMPRES 23/2/1993—"Romanian exports for free currency in 1992 was 72 per cent of the 1989 performance, while the exports to Europe for free currency were 95 per cent of the same year's performance", said Mircea Toader, deputy director of the Europe Department of the Ministry of Commerce.

Director Mircea Toader told ROMPRES that as regarded the commercial relations with the countries in Europe an increase of the exchanges for free currency could be noted, correlated with a decline in the exports for transferable rubles.

Imports for free currency went up some 70 per cent as compared with 1989 and the rise in imports from Europe marked a 5.9 per cent rise as compared with the same year.

Those evolutions meant new standings as regarded Romania's major economic partners in 1992. Germany was first as regarded the commercial relations in Europe, with a share of 11 per cent of the Romanian exports and about 14 per cent of the imports.

Likewise, an important place was held by the Russian Federation that covered about 10 per cent of the Romanian exports and 11 per cent of its imports.

As regarded the evolution of the commercial exchanges with East Europe, a major concern in 1992 was to secure the legal framework for the relations with the newly independent states emerged from the dismantlement of the defunct USSR. Consequently, Romania managed to conclude commercial agreements with many of them, including Ukraine, Moldova, Lithuania, Belarus, Armenia, Georgia.

As regarded the countries in Eastern Europe, machinery and equipment kept their important share in the structure of Romanian exports, consisting mainly of oil-field equipment, gas industry equipment, metallurgical equipment and rail cars, followed by consumer goods like furniture, footwear, ready-mades, textiles and knit wear.

As regarded imports, they mainly consisted of raw materials.

Important amounts of steam coal and natural gas were imported in 1992 from the Russian Federation, iron ore and electricity were imported from Ukraine, etc.

Sales of Goods, Services Decline in January

AU2302091093 Bucharest ROMPRES in English 0818 GMT 23 Feb 93

[Text] Bucharest, ROMPRES, 23/2/1993—Goods retailed in January 1993 totalled 177.7 billion lei, by 22.6 per cent less than the performance of January 1992, show data issued by the National Statistical Board.

A more marked decline was recorded with the sales of foodstuffs, the value of which (62.8 billion lei) was by 24.8 per cent smaller than in January 1992 and by 32.1 per cent smaller than last December.

The sales of nonalimentary goods totalled 114.9 billion lei, by 21.3 per cent less than in January 1992.

The private sector covered 43.1 per cent of the total retail sales (36.7 per cent with foodstuffs and 46.6 per cent with nonalimentary goods).

The sale of farm-foodstuffs in the private producers' market were 24 per cent bigger than in the same period of 1992.

As regards commercial services to the population, their volume was 56.4 billion lei, by 18.2 per cent less than in January 1992.

The private economic agents covered 50.3 per cent of the total volume of services, which is more than the 46.7 per cent mark recorded in January 1992.

Statistics Show Increasing Rate of Unemployment

AU2302090793 Bucharest ROMPRES in English 0816 GMT 23 Feb 93

[Text] Bucharest, ROMPRES 23/2/1993—The unemployment rate went up to 9 per cent in the February 15-21 week, as compared with the 8.8 per cent rate on February 15, show statistical data supplied by the Ministry of Labor and Social Protection.

The total number of registered jobless is 1,004,830 (412,938 men and 591,892 women), of whom 642,870 get unemployment benefit and 265,890 get subsistence allowance. Of the total 908,760 jobless that get either unemployment benefit or subsistence allowance 796,993 are skilled workers, 95,857 are high school graduates and 15,910 are persons with academic studies.

Serb General Warns Air Drops Will Escalate Conflict

LD2302141793 Belgrade TANJUG Domestic Service in Serbo-Croatian 1102 GMT 23 Feb 93

[Text] Major-General Milan Gvero, deputy commander of the Army of the Serb Republic in Bosnia-Hercegovina, said today that the use of planes to deliver humanitarian aid to the Muslims would be "an almost certain way into an increased use of military force and escalation of armed conflicts with unforseeable consequences."

Following reports that U.S. President Clinton decided to send American planes to deliver humanitarian aid by air to the threatened areas in Bosnia-Hercegovina, Gen. Gvero, in a statement passed on to TANJUG, assessed that "the use of planes, accompanied by fighter planes, for the delivery of humanitarian aid to the Muslims, would reach the most dangerous point so far on the path to military and political manipulations of humanitarian aid."

"The Muslims have shown before the whole world that they do not want to cease the fighting, that they opt for the war solution to the conflict and that they are frantically begging for foreign military aid and military intervention."

Gen. Gvero stressed that Bosnian Muslims have not been choosing means to achieve their goals, that they have munipulated humanitarian aid, forcing the hungry to go on hunger strikes, and have attacked the UN forces.

The Muslims, Gvero continues, "have been persistent in attacking the UN forces—shooting at planes, killing and injuring UN Protection Force members, provoking confrontations, shooting at humanitarian aid convoys..."

"A new scenario for an escalation of the conflict is, almost certainly, about to be introduced now: Very soon they will shoot at the UN planes delivering aid to them and will try to present it as the work of the Serbs," and that would, Gvero says," inevitably lead to the use of deterrent fighter aviation, which would be followed by an uncontrollable escalation of war."

Gen. Gvero stresses that "those who advocate the delivery of aid must be made fully aware of the third Muslim scenario" and must also know that the Army of the Serb Republic "has at no point prevented the passage of humanitarian convoys."

The deputy commander of the Army of the Serb Republic claims that "the aid to the Muslims has been incomparably greater than to the hungry Serb population" and that "humanitarian aid has been given primarily to the Muslim fighters, and has almost entirely excluded the Serb people in the territories under Muslim control."

UNPROFOR Proposes Opening New Aid Routes

AU2202205893 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1400 GMT 22 Feb 93

[Text] President Izetbegovic's decision on unilateral cease-fire is a step in the right direction and has already had some positive effect in reducing the level of fighting in Sarajevo, General Phillipe Morillon said at today's news conference at the UN Protection Force [UNPROFOR] headquarters. The French general was in a considerably better mood today than during previous days. Besides the decision by the Bosnia-Hercegovina Presidency to end the hostilities, he listed some other positive events:

The convoy with 100 tonnes of aid reached the residents of Zepa yesterday while the other convoy is expected to arrive in Gorazde tomorrow. The exchange of prisoners—54 interned Serbs for 54 Bosnians—was also carried out, Morillon said. The air link to Sarajevo was restored, and all this has created a far more favorable atmosphere on the eve of the continuation of the political talks in New York.

Such a development of the events, according to Morillon, facilitates resuscitation of some old initiatives and opening the new ones. He will propose that, following the successful model in central Bosnia, mixed commissions which would supervise the cease-fire in the field be formed in Sarajevo as well. Morillon singled out Zuc Hill and the area around the airport as particularly sensitive zones where the activities of these commissions would be required.

On 18 February, he said, the Serbian troops fired six grenades at the airport. It was a real miracle that no one was injured, and we filed a sharp protest with Pale.

We will propose that negotiations within mixed military groups resume the day after tomorrow, Morillon said, adding that he hopes that he would meet [word indistinct] Sefer Halilovic [commander of the General Staff of the Bosnia-Hercegovina Army], Ratko Mladic [commander of the Serbian troops in Bosnia], and Milivoje Petkovic [chief of General Staff of Croatian Defense Council Army]. The UNPROFOR command will propose opening two humanitarian corridors in the Sarajevo region—Dobrinja-Butmir and Lukavica-Ilidza. The proposal to open three blue routes, which is also envisioned by the Vance-Owen plan, is particularly interesting. These three routes would lead from Sarajevo toward Mostar, Zenica, and Gorazde, allowing unhindered movement and a type of commericial traffic. The blockade of the capital would thus be lifted after a fashion. No additional peacekeeping troops would be needed for this.

When asked whether the aggressor would allow the opening of these three blue routes, Morillon replied that he had received some positive signals. He believes that the decision to open these three routes might prove to be very delicate as it could result in a mass exodus of the city's population. We must convince the Sarajevo residents that they are better off remaining in the city than abandoning it, Morillon says. With this objective in mind we will move to stop the destruction of the city and do our best to repair the service infrastructure and improve the living conditions in Sarajevo. He also said that there are many refugees demanding to return to the capital.

Morillon expressed doubt that the Americans would drop humanitarian aid to the residents of eastern Bosnia by parachute. This is a highly dangerous and risky assignment and I believe that the Americans are aware of this, Morillon said.

We should stress another statement by the general which we have not heard previously. Namely, UNPROFOR's mission to maintain peace and escort humanitarian convoys in Bosnia-Hercegovina will no longer be possible if a political solution to the conflict is not found.

Soldiers in Bosnia To Be More Heavily Armed

AU2202135193 Paris AFP in English 1338 GMT 22 Feb 93

[Text] Paris, Feb 22 (AFP)—French U.N. forces in Bosnia, given a wider range of action by Friday's Security Council resolution, have been equipped with new weaponry, including antiaircraft and antitank missiles, military sources said Monday [22 February].

The 4,700 French troops with the U.N. Protection Force have also been equipped with 81-millimeter mortars and the light armored vehicles at their disposal have been mounted with more powerful guns, the sources said.

The U.N. Security Council, in extending the UNPROFOR [UN Protection Force] mandate by six weeks, had Friday authorized the reinforcement of military units in the field "with the appriopriate defensive armaments" and to use force if necessary.

French sources said this meant they could now respond in case of attack even if the identity of the assailants is undetermined.

The sources said French units had begun reinforcing several weeks ago, in anticipation of increased attacks on U.N. forces following the proclamation of an air exclusion zone over Bosnia-Hercegovina.

The French army in Yugoslavia, which has lost 12 men so far, has about 20 Sagaie tanks with 90-mm cannon and VAB light armored vehicles with 12.7-mm guns, the sources said.

The VABs will now be equipped with 20-mm guns and the units provided with 81-mm mortars, which have a range of three kilometers (1.9 miles), Milan antitank missiles, which have a two-km (1.3-mile) range and Mistral short-range antiaircraft missiles with a range of six km (3.8 miles).

Serbs Say Ready To Close All Prisoner Camps

LD2202204893 Belgrade TANJUG in English 2017 GMT 22 Feb 93

["Pool" item]

[Text] Belgrade, Feb 22 (TANJUG)—The authorities of the Bosnian Serb Republic on Monday evening [22 Ferbuary] reaffirmed their readiness to continue the action sponsored by the International Committee of the Red Cross (ICRC) to close all prisoner camps run by the three warring sides in the former Yugoslav Republic of Bosnia-Hercegovina.

The Serb republic's Ministry of Health said in a statement carried by the Bosnian Serbs' news agency SRNA that the action was "still being sabotaged by the Moslem and Croat sides".

French Minister for Health and Humanitarian Issues Bernard Kouchner during visits to Belgrade and Sarajevo last week appealed for the humanitarian relief effort and action to close the camps to be continued.

The Serbs accepted the plea, but Moslem leader Alija Izetbegovic turned down Kouchner's proposal, claiming that the Moslems operated no camps but only "prisons in which criminals are incarcerated".

The Serb republic's Health Ministry said in its statement that an exchange was nevertheless agreed on the occasion of 108 Moslems held in the Batkovic Prison near Bijeljina for as many Serbs detained in a storage silo in Tarcin, near Konjic.

The Serbs immediately sent a list of prisoners to be exchanged, but the swap did not take place because the Moslems demanded three Moslems for each Serb, the ministry said.

This last demand was made on the basis of a claim that the Serbs are holding no fewer than 16,000 Moslems in their prisons, but the ICRC recently made public that there were less than one-tenth of that number—just 1,203.

That prisoner exchanges are not realized on account of constant and most often totally unacceptable conditions set by the Croat and Moslem sides is also evidenced by a demand made by Croats, who in return for setting free 54 Serbs held in Livno among others asked for the release of "five Croatian soldiers who are reliably known to have committed crimes against Serb civilians," the ministry said.

The three warring sides in an agreement reached on October 1 and signed on November 8 last year pledged to close down all camps and release all detainees.

Only Serbs began unilaterally implementing the agreement, closing down three camps and releasing 5,021 prisoners.

The Croats and Moslems have in the meantime closed not a single camp, and after the Serbs released 3,000 men from the Manjaca Camp near Banja Luka failed to honour an agreement with them and to set free 1,740 detained Serbs.

Karadzic Challenges Izetbegovic To Sign Treaty

AU2302105493 Paris AFP in English 1042 GMT 23 Feb 93

[Text] Belgrade, Feb 22 (AFP)—Bosnian Serb leader Radovan Karadzic in a radio interview here Tuesday [23 February] challenged Bosnian President Alija Izetbegovic to sign a peace treaty for Bosnia-Hercegovina.

Declaring that Izetbegovic is "not seriously interested in peace," Karadzic said he had "no faith" in an unilateral cease-fire ordered Saturday by the Bosnian president.

"We demand that Izetbegovic sign a peace treaty that would restore peace in all of Bosnia-Hercegovina, that he break the military accord he reached with Croatia and that he resolve all questions through diplomatic means," Karadzic said.

He accused the Bosnian president of seeking to end hostilities where Moslem positions have been weakened while pursuing the war in regions where his troops are stronger.

Karadzic charged that despite the cease-fire, Moslem forces had launched an offensive against Doboj, 100 kilometres (62 miles) north of Sarajevo, and pushed back Serbian defense lines.

'Quietest' Morning Since War Outbreak Reported

AU2302114093

[Editorial Report] Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian at 1100 GMT on 23 February carries in its regular 10-minute newscast an update on the military situation in the republic.

The studio announcer says that "this has been one of the quietest mornings in the entire republic since the outbreak of the war."

In his report from Bihac, Mehmedalija Zulic reports that "in the zone of the responsibility of the Bosnia-Hercegovina Army Fifth Corps there were a few sporadic enemy provocations overnight, and our defenders responded only when absolutely necessary. Bihac is quiet this morning."

Reporting from Doboj, Mirudin Aldobasic says that "the chetniks used only small arms to try and provoke us, but the members of the 203d Motorized Brigade Doboj-Bosna did not respond. The Doboj region is absolutely calm at the moment of reporting."

Jovo Jovanovic updates his earlier report from Sarajevo by saying that "even that minimal sporadic fire has now stopped. The entire city is calm—surprisingly calm, one might say."

Fighting Persists in Eastern, Northern Bosnia

LD2202160093 Belgrade TANJUG Domestic Service in Serbo-Croatian 1336 GMT 22 Feb 93

[Excerpts] Belgrade, Doboj, Bratunac, Bileca 22 Feb (TANJUG)—Fighting between Serb forces and units loyal to Bosnian President Alija Izetbegovic has continued today in the Doboj area in northern Bosnia and in the Bratunac area in eastern Bosnia.

TANJUG's correspondent from Doboj reports, citing the local command of Serb units, that Muslim forces from Ularice launched rocket and 120-mm mortar attacks on Serb positions. Serb forces did not respond to these attacks. According to this source, members of the Serb Republic's army killed four and captured three Bosnian Croat forces during their attempt to infiltrate the Makljenovac area near Doboj.

Muslim forces also launched attacks at Teslic battlefield and the fiercest fighting took place in Veliki Vis area which is now controlled by Serb forces. According to the command of Serb forces in Doboj, fighting is still in progress near Velika Manjaca where Serb forces are steadily advancing. [passage omitted]

Early this morning Srebrenica Muslims continued their attacks on Serb positions around Bratunac in eastern Bosnia. According to the local command of Serb forces, Muslim units from Kravica area continued with their strong northbound artillery pressure early this morning and a similar attack was launched from Siljkovici area during this period. [passage omitted]

Herceg-Bosna Setting up War Crimes Commission

LD2202202993 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 22 Feb 93

[Text] The competent bodies of the Croat Defense Council [HVO] of the Croat community of Herceg-Bosna are preparing to set up a war crimes commission.

Their first task will be to centralize existing reports. Its efficiency will greatly depend on the help of citizens, especially those who were in enemy camps. The commision's findings and reports will provide very important evidence about the occupier's crimes and intentions to carry out ethnic cleansing.

Bugojno Croats Form 'Parallel' Authorities

AU2202210593 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1800 GMT 22 Feb 93

[Text] The Bugojno war presidency addressed a letter to the presidency of the Coordinating Committee of Communes in Free Bosnia-Hercegovina in which the following is stated:

Contrary to the official assessment noting the improvement of the situation on the territory of central Bosnia, the political and security situation in Bugojno region is growing extremely complex. After of clashes in Gornji Vakuf ended, the policy of the Croatian Defense Council in Bugojno became aggressive to such an extent that it—as opposed to its earlier methods of undermining and obstructing the Army and the Republic of Bosnia-Hercegovina—now embarked on the formation of parallel organs of power with all the attributes and elements of statehood, that is, the (?Croatian organs) of the self-styled Croatian Community of Herceg-Bosnia.

This policy is being pursued under the pretext of being a temporary solution. Because of all of this, the war presidency of the Bugojno commune demands an official position from the Coordinating Committee of Communes in Free Bosnia-Hercegovina.

Agreement Outlines Duties for Joint Command

AU1702165693 Zagreb VECERNJI LIST in Serbo-Croatian 12 Feb 93 p 7

["Integral text" of agreement signed by the chief of general-staff of the Army of Bosnia-Hercegovina and the chief of staff of the Supreme Command of the Croatian Defense Council: "A Single Command in Central Bosnia"]

[Text] Mostar—The Information Service of the Croatian Defense Council [HVO] of the Croatian Community of Herceg-Bosnia published the text of the joint agreement between the chief of general staff of the Army of Bosnia-Hercegovina, Sefer Halilovic, and the chief of staff of the HVO Supreme Command, Milivoj Petkovic, signed yesterday in Sarajevo. HINA reports the integral text:

"Based on the mutual agreement between the chief of general staff of the Army of Bosnia-Hercegovina and the chief of staff of the HVO Supreme Command, designed to prevent further misunderstandings and conflicts between the forces of the Army of Bosnia-Hercegovina and those of the HVO, and to organize joint resistance against the aggressor:

I ORDER - I COMMAND

1. Commander of the 3d Corps of the Army of Bosnia-Hercegovina and the commander of the HVO's Operation Zone Central Bosnia (Hadzihasanovic and Blaksic) will form a joint coordination team to be headed by these gentlemen. The team has the duty and authority to:

a) issue joint orders - commands

b) issue the command that units and formations are to immediately withdraw from the positions between the Army of Bosnia-Hercegovina and the HVO, to fill all trenches and dugouts created for this purpose, and to move all troops to positions toward the aggressor.

c) to remove all barricades and obstructions in the zone of responsibility, to allow the swift return of residents to their homes and to secure unimpeded access to all roadways (establish conditions for the return of legitimate authorities).

d) issue the order that all units and formations brought from other areas are to be withdrawn immediately to the positions they held prior to the development of conflict.

e) to conduct a tour of all places where conflict broke out so as to determine the situation, the reasons for the conflicts, and to determine the degree of individual responsibility.

f) immediately and personally deal with all possible incidents that might occur.

g) immediately and unconditionally release all prisoners, especially civilians.

h) the time limit set for this task is: Commence immediately and execute by 1200 on 15 February at the latest, when a written report is to be filed.

2. The existing coordination team of the Army of Bosnia-Hercegovina and the HVO in Gornji Vakuf has the same duties as specified by point 1 of this command, and they are to extend their authority to include the city of Bugojno.

3. The coordination team formed in Mostar and headed by Miljenko Lasic, commander of the HVO Operation Zone Southeastern Hercegovina and Arif Pasalic, commander of the 4th Corps of the Army of Bosnia-Hercegovina, will execute the duties specified by point 1 in the zone of responsibility.

They will immediately extend their activities to include the area of Konjic-Jablanica.

4. All the coordination teams from points 1, 2, and 3 of this command are to propose individuals for members of the joint command based on agreements between Alija Izetbegovic and Mate Boban.

5. All commanders are to take steps to establish normal and unimpeded communication in their zones of responsibility. In the case of a breakdown in communications, they must immediately take appropriate measures and urgently notify the General Staff of the Army of Bosnia-Hercegovina and the Supreme Command of the HVO.

The joint agreement between the chief of staff of the General Staff of the Army of Bosnia-Hercegovina and the chief of staff of the HVO Supreme Command further specifies that all detained transports are to be immediately allowed to pass and all confiscated goods are to be returned immediately to the owners.

Mladic Discusses Military, Political Options

AU1802093193 Belgrade NIN in Serbo-Croatian 12 Feb 93 pp 12-14

[Interview with Lieutenant General Ratko Mladic, commander of the general staff of the army of the Serbian Republic of Bosnia-Hercegovina, by Jovan Janjic; place and date not given: "What Bosnian Serbs Want"]

[Text] Lieutenant General Ratko Mladic is one of the key personalities of the war drama taking place on the territory of the former Yugoslavia. It is certainly with the help on his skill that the Serbian people within the administrative borders of Tito's Croatia have succeeded in defending their homes and establishing the Republic of Serbian Krajina.

When the war in Bosnia-Hercegovina started, Mladic became the commander of the general staff of the army of the Serbian Republic of Bosnia-Hercegovina. Now, he continually looks toward Geneva and New York, as do all those who wish for a just peace and a good outcome to the conflict, but at the same time he also follows the unfolding of events at the front. That is why we asked the following question first:

[Janjic] General Mladic, was this war inevitable?

[Mladic] To be honest, I have also asked myself this question. I can categorically assert that the Serbian people did not want this war. I am sure about that. I am even sure that other peoples living on this territory did not want it. It simply came like an ill wind. All of a sudden. It was brought by certain powers that had planned to disintegrate Yugoslavia, because this federation obviously disturbed some of the centers outside the former Yugoslavia.

[Janjic] But, these war planners also found allies in Yugoslavia!

[Mladic] Yes, unfortunately. The war was inevitable because there was a lot of unhealthy tissue in the former Yugoslavia. While we were resting on our laurels of eternal peace, this brutal conflict was being prepared.

[Janjic] You have already mentioned several times the plans for the disintegration of Yugoslavia made outside the former and the present Yugoslavia. Can you tell us something more about these war scenarios?

[Mladic] This is not a secret any more. Everything has been very well examined. During the last ten or twenty years, detailed plans were made at certain military academies of the major powers, even peacetime war games were played with our territory, for example with Kosovo. Everything was well masked though. Attention was always drawn to a certain part of our territory, but in practical terms a detailed plan for the destruction of the state of Yugoslavia was made. Unfortunately, everything is still happening according to this scenario.

It is progressing, it is not coming to a halt.

[Janjic] If the Serbs in the Republic of Serbian Krajina and in the Serbian Republic of Bosnia-Hercegovina had not resisted the "new constellation", would there already be a war in Serbia or Montenegro in your opinion?

[Mladic] The powers that planned the disintegration of Yugoslavia and also took part in it, are surprised by the resistance of the Serbs in both Krajina and Bosnia. What is going on right now is also dangerous for the rest of the world, living in peace. Many countries are, directly or indirectly, participants in the war in the former Yugoslavia. Even some of the big powers.... During the peace talks in Geneva I noticed that most people are worried about what is happening in Yugoslavia. They are simply scared. They are observing the present situation objectively. The war that has happened to us can easily be carried over to them, especially if there is foreign military intervention on our territory.

[Janjic] What will happen in the case of a military intervention? How will Serbs respond to it?

[Mladic] The question of military intervention has been mentioned very often lately, even in the conference hall in Geneva, in which the peace talks have been held. A military intervention is quite possible, because the international community is trying to persuade the parties to this conflict, especially ours, the Serbs, to accept the offered solutions. We will do everything to achieve a solution by political negotiations and peaceful means if this does no harm to the peoples living in the former Bosnia-Hercegovina. However, we have very clearly explained to the cochairmen of the Geneva peace conference that certain conditions have to be fulfilled if a just solution to the situation in the former Bosnia-Hercegovina is to be achieved.

[Janjic] What are these conditions?

[Mladic] First of all, UN Security Council Resolution 787 has to be implemented completely—that is to say, the Croatian armed forces have to retreat from the territory of the former Bosnia-Hercegovina. There is no need whatsoever for their armed forces to be present on this territory. They caused this war.

The next condition is that the alliance between Tudjman [Croatian president] and Izetbegovic [Bosnian president] in their mutual war against the Serbian people be broken. This will surely follow after the latest conflicts in central Bosnia. In any case, this arrangement must be made public to the international community, which should condemn it, because it resulted in the war against the Serbian people in Bosnia-Hercegovina. The next condition is that Alija Izetbegovic should retract his decision on the declaration of a state of war and the declaration of war against the Serbian people. Only under these circumstances can the conditions for real peace negotiations be fulfilled. This would enable it to reduce the conflict to three parties—the Serbian Republic of Bosnia-Hercegovina, the Croatian Community of Herceg-Bosnia, and the Muslim part of the former Bosnia-Hercegovina. Now, we have one foreign power, the internationally recognized Croatian state, which is the aggressor in this area.

[Janjic] You mentioned Geneva; you took part in the negotiations as the official representative of the army of the Serbian Republic of Bosnia-Hercegovina. Was pressure exerted on you to accept the proposed map and the concept of the constitutional organization of Bosnia-Hercegovina?

[Mladic] Up to now I have not had any negotiating experience. However, I was surprised by the fact that the cochairmen sternly pointed out the possible consequences if it is not played in a particular way. This method itself should be discussed. Certain documents, for example, were prepared without the participation of the representatives of the Serbian people, later they were simply offered as a fait accompli. It is very difficult to make any changes in these documents. The real situation as it was, as it is, or as it will be is not accepted. This is a kind of pressure.

[Janjic] From the point of view that you are the commander-in-chief of a strong army, and as such described in some international circles as the main impediment to the realization of their plans for the former Yugoslavia, I would be interested to hear whether you personally were put under any kind of pressure.

[Mandic] Our delegation, led by President Radovan Karadzic has a unique, very homogeneous platform. We are very keen to achieve the adopted policy, in the way our people want us to do this. In these talks we have always been led by the interests of the Serbian people and by the official documents passed by the parliament of the Serbian Republic of Bosnia-Hercegovina. The decisions made by the parliament constitute the platform we cannot deviate from.

In the last session of the Geneva peace talks, the cochairmen and General Nambiar pointed out in their introductory speeches in the military group of negotiators the consequences that could follow in the case that the Vance-Owen plan for Bosnia-Hercegovina is not accepted. Admittedly, they did it in a fine tone appropriate to such high-ranking diplomats. We cannot, however, harm our own people and our own interests. We informed them of that. After all, nothing happened to those who destroyed Yugoslavia, and Yugoslavia was one of the founders of the League of Nations and of the United Nations. If Yugoslavia could have been divided into small states, if this could have happened as quickly, as if this state had never existed—why, by the same token, should matters not proceed in the same way in the case of Bosnia-Hercegovina? The Serbs living in the former Bosnia-Hercegovina want the same thing that other peoples on the territory of the former Yugoslavia obtained—and that is the right to have their own state.

[Janjic] In spite of all that, various international organizations blame the Serbs as "the main culprits" in the war in the former Bosnia-Hercegovina!

[Mladic] This is true, but it is perhaps our own fault. We were obviously not familiar with the world around us. We simply did not know the methodology and structures the modern world is based on. It has often been said that Croats won the mediawar. I would say that they have still not won it. Anyway, by means of the media war, they present to their people only those "truths" that are of advantage to them, thus dictating public opinion. It is not a secret that Croatia spent a lot of money on propaganda. Kuwait invested approximately $13 million in the war with Iraq; Croatia spent more than twice as much; it invested more than $30 million in order to have the press correspond to the aims of Franjo Tudjman and his extreme party, the Croatian Democratic Community. We, on the other hand, have invested no funds in such propaganda, because we are not interested in fabricated truths.

During my stay in Geneva I watched various channels of Western televisions. They all have a very rigid scheme. In the first part of their news programs, they show everything that is nice in their country. When they want to show something that is backward, they go to the Balkans, or to Asia, where they find the poorest people. There are very poor people in the West as well, but this is not shown. The West has recognized that the human brain is of a restricted capacity, which allows them to form it as well-made dough. Various paid organizations, which fabricate filthy lies about the Serbian people and its army, who call us devils, also work according to this principle. These are short-range shots though.

[Janjic] There are very many protests against the Serbs holding the positions around Sarajevo!

[Mladic] The Serbs are not holding anything that does not belong to them. What is more, we do not even hold everything that belongs to us in and around Sarajevo. Serbs have invested most, because this town was built on Serbian territory.

[Janjic] Very often, the shelling of Sarajevo is mentioned. In most cases it is imputed to Serbs!

[Mladic] The world was not astonished when it saw the scenes showing the killing of soldiers or guests at a Serbian wedding ceremony, the destruction of Serbian houses, the killing of Serbs. When innocent soldiers from a column belonging to the former Second Military Region floated for days in the Miljacka [river in Sarajevo] or lay on Sarajevo side-walks, nobody was shocked. Nor was anyone shocked when Alija's [Izetbegovic's] soldiers, led by Juka Prazina and other criminals shelled the military hospital, barracks .... On the other hand, when Serbs responded in the way that was called for, they were condemned. Many of the Muslim crimes and killings are still being imputed to Serbs on various European televisions. We should only think of the incident on Vasa Miskin Street in Sarajevo, or of horrible pictures on Dobrovoljacka Street, where even UNPROFOR vehicles were used.

[Janjic] Many Serbs remained in Sarajevo. What is happening to them?

[Mladic] They are the martyrs of the 20th century. The Serbian population in Sarajevo is being treated very brutally by Alija's army. Luckily, many of them live on the alms bestowed upon them by their good-natured Muslim neighbors (there are even Muslims who protect whole families). Unfortunately, many of the families have disappeared. Only those who manage to get out of Sarajevo can describe the tragedy in detail. Many of them are already on the edge of existence. According to the information we have, only a small portion—approximately 10 percent—of the relief supplies that reach Sarajevo, is given to Serbs, although they are in the largest numbers now, since Croats, Jews, Slovenes and almost all the Muslims left the town. Only Serbs and Alija's "green berets" remained. In private prisons Serbs are tortured, and our wives, sisters and mothers raped. Serbs are either killed or they leave the prisons looking like skeletons, like corpses. They lost everything they had earned in decades of work. Everything they or their ancestors have made is either destroyed, taken away or stolen.

[Janjic] How would you define the work of UNPROFOR [UN Protection Force]?

[Mladic] First of all, I have to say that most UNPROFOR officers and soldiers perform their functions very honestly. They are trying to perform their tasks in accordance with the mandate given to them. Unfortunately, some of them misuse their position, there have been cases when they helped Alija's army.

[Janjic] In what way?

[Mladic] In various ways. Some of them act as a taxi-service for Alija's officials, they take them to and from Sarajevo airport, to Zagreb and other places.... But we still accept them as the peacekeeping forces. You must not forget one thing though: Despite the UNPROFOR presence in Bosnia-Hercegovina, Alija's army has obtained a lot of ammunition, fuel and other materials necessary to lead war. Alija's army has not been able to manufacture ammunition in Sarajevo, and yet they can still fight with increasing violence. From day to day they have more ammunition. I do not mean that they are given the ammunition by UNPROFOR. If some UNPROFOR members do this, it does not mean that this is principally done by UNPROFOR. One thing is sure, Alija's army receives almost everything it needs with humanitarian transports, especially those organized by "Merhamet" or "Caritas".

[Janjic] Is this the case only in Sarajevo?

[Mladic] No. Humanitarian convoys also brought weapons to Gorazde and Srebrenica. Not to mention the fact that also in other ways large quantities of war materials have been transported to Alija's army, especially in the Cazin region. From Croatia and western Hercegovina, convoys legally enter central Bosnia with ammunition, weapons and other necessary materials. This has been somewhat reduced lately because of the Muslim-Croatian conflicts around Gornji Vakuf, Konjic, Mostar, Prozor, Bugojno....

[Janjic] You mentioned Gorazde. Various commentaries have been heard concerning the retreat of the army of the Serbian Republic of Bosnia-Hercegovina from positions around this town. Can you tell us the truth about it?

[Mladic] As far as the truth is concerned, you should ask the people from Gorazde. The army of the Serbian Republic of Bosnia-Hercegovina has not withdrawn from Gorazde. Only those who were fainthearted at a certain moment retreated.

[Janjic] One Serbian soldier, members of whose family were killed by Islamic fundamentalists, recently shot dead Hakija Turajlic, the deputy prime minister of the Muslim government, who was supposed to "officially" meet some 60 Turkish officers at Sarajevo airport. Turajlic was in an UNPROFOR vehicle!

[Mladic] Yes. I think the French officer who took Mr. Turajlic to the meeting with the mercenaries from Turkey contributed a lot to this tragic event. I do not know why he did it or who gave him this order. In any case, single acts of violence have to be condemned. This event made our position in the second round of the Geneva peace talks much more difficult. However, we have to understand that almost all the members of this young man's family had been killed only several days before by Muslim soldiers. Probably he decided to make such a drastic move in a moment of mental derangement when Mr. Turajlic insulted him. This case is now being investigated by the judicial organs of the army of the Serbian Republic of Bosnia-Hercegovina and we hope to be able to clear it up completely.

[Janjic] A large number of Islamic fundamentalists have arrived in Bosnia. Do you know the exact number?

[Mladic] The person who engages them should know this. They are coming every day. It is estimated that there are approximately 10,000 fundamentalists from various Islamic countries.

[Janjic] You have been declared a war criminal by Americans, Croats and Muslims. Are you upset by this fact?

[Mladic] I would be worried if a list of war criminals who committed crimes in Vietnam or Cambodia, and other countries, had been published in France and America. I did not go to Vietnam or Okinawa to wage war, I am just defending my own people. This is a duty and obligation of an officer.

I am not at all bothered by the fact that I have been declared a war criminal by Croats and Muslims.

[Janjic] You have been accused by certain people of creating "greater Serbia". Lord Owen, one of the cochairmen of the Yugoslav peace conference, to name one.

[Mladic] At the present moment, our main interest is to protect our people from being expelled from their century-old homes and to create conditions in which they will be able to live and work in peace. And it will be up to this people to decide who they want to live with, which is its democratic right. In the end I have to tell you that we do not want to have small groups representing the Serbian people. It would be very good if Serbs had a single program, which they presented to the world. And not only that. I also think that the time has come when we should make broader alliances. The Islamic countries have held their conferences and meetings for years already. Nobody has criticized that. Some Western countries also have various alliances and associations, and noone has held anything against it. Why should not Orthodox countries have an alliance, within which we would make our wishes public to the world, where we would explain our position in the modern world and how we see it.

Karadzic Backs Serb, Russian, Greek Alliance

93ES0401A Athens I KATHIMERINI in Greek 2 Feb 93 p 7

[Report by Tasos Liolis, I KATHIMERINI correspondent in Belgrade: "No to a Muslim State"]

[Text] In a press interview granted Greek reporters, Radoran Karadzic, president of the Serbian Republic of Bosnia, said, "We will not permit the creation of a Muslim state in Bosnia because in doing so the opportunity would be given to Turkey to become a big imperialist power in Eastern Europe."

Mr. Karadzic reiterated the proposal put forward in the past by Mr. Milosevic on the creation of a strong alliance among Serbs, Russians, and Greeks, in other words the Orthodox peoples of Europe who would be able to drive back Islamic expansionism.

President Karadzic said he was satisfied with the Geneva talks because the peaceful intentions of the Serbs were recognized by a large segment of international public opinion, despite the fact that the Muslims did not accept the Vance and Owen peace plan.

Both President Karadzic and high-level officials feel that after the Geneva talks the danger of foreign military intervention in Bosnia has dwindled. Nevertheless, they noted that war will not end soon given the fact that the Muslims especially and also the Croations appear to be intransigent. They anticipate that perhaps after a while a confederation of three states will be created in Bosnia.

President Karadzic said, "Our goal is our union with the other Serbian states. We are, nevertheless, willing to agree to a regime made up of provinces so long as the Serbian people are satisfied with such a regime."

As for the new U.S. Government, President Karadzic said that he expects Mr. Clinton to be more just than his predecessor with regard to the Serbs and that he will pursue a policy to resolve the problems of the former Yugoslavia. He stressed that he did not believe the embargo on the shipment of arms to the Muslims will be lifted.

As for the UN stand on Croatia, Serbian officials have pointed out, "If the United Nations wants to maintain its authority and credibility, its tolerance of provocations by the Croatians should not continue."

"Greeks, Romanians, and God Our Allies"

Serbian officials pointed out to Greek reporters, "Our only allies are the Greeks, Romanians, and God...and we think that is sufficient." As for the Skopje issue, Mr. Karadzic underlined the fact that "the big powers do not want a territorial convergence of Serbia with Greece and that is why they want to cut off the two countries with the creation of a state with a false nationality." He concluded by saying, "We will not forget the friendship of the Greek people and we hope to be close to them if not territorially at least economically and spiritually."

Serb Intelligence Agents Said To Infiltrate Army

93BA0575C Ljubljana DELO in Slovene 29 Jan 93 p 5

[Article by Kresimir Meler and Mirjana Glusac: "The KOS and the Mojahedin in Bosnia-Hercegovina"]

[Text] *Well-informed sources state that the latest conflicts between Muslims and Croats were staged by a counterintelligence group from the Yugoslav Army's Security Administration.*

Individuals and people will start to act rationally after all other possibilities are exhausted. That is what Katz's law says. We are also familiar with Kerr-Martin's law, which says: "In solving their own problems the members of a professorial gathering are extreme conservatives. In solving other people's problems, they become extreme liberals." All those involved in the Bosnia-Hercegovina warfare for the conquest of as much "living space" as possible, especially the Croats and Muslims, "inseparable allies" until yesterday, are acting in accordance with these laws.

It was already possible to sense that difficulties could occur several months ago, when Croatian politicians began, without any moderation or tact whatsoever, began to negotiate and conclude agreements with very diverse Islamic state and political factions. The Croatian side thus promised, in talks with Iranian and Libyan representatives, that it would "offer the forces fighting against the common enemy full logistical and materiel support, and if necessary also assistance in troops. In addition to this, it will allow volunteers to come from European and Middle East countries to the Bosnia-Hercegovina battlefields, and will also take care of the transportation of weapons and other military equipment." This is still not all; it was also said that "the Muslims in Croatia should be guaranteed all the rights enjoyed by the Serbian ethnic minority, and this also includes allowing religious rites, opening religious schools, participation in local authorities wherever a sizeable group of refugee Muslims has gathered, and the unhampered participation of Islamic countries and individuals in buying individual enterprises and opening new ones."

In return, the Islamic countries are to provide Croatia and Bosnia-Hercegovina with financial assistance through third countries, and the majority of the assistance and money thus gathered is to be used to purchase weapons and equipment. The Islamic Development Bank (ISDB), the Islamic Solidarity Fund (ISF), and the Libyan-Arab Foreign Investment Company (LAFICO) were proposed as intermediaries in these transactions. All the banks listed, in fact, have a common purpose. These banks' statutes and procedural rules say that their main function, "in addition to the usual projects for financing through loans and everything that is associated with short-term and medium-term investments with installment payments, is financing foreign trade, raising the standard of living of all Muslims, supporting their struggle, strengthening mutual solidarity, and raising the religious, cultural, and social level in Muslim countries, minorities, and communities."

This means that a country that accepts loans and assistance from these banks also consents at the same time (even though it is not aware of this) to the strengthening of Islam on its own territory and to the granting of privileges to Arab states and Muslims. For example, if one of the banks listed buys goods or gives a loan to a certain country, a contract is concluded according to which the country that has received the loan will repay the loan, and if it cannot, then the above-mentioned bank will become the owner of the assets and of the enterprise or bank that received the loan. All of this, in a way, can still be controlled. It is completely different, however, when it comes to the financing of the religious, cultural, and social level of Muslims in Croatia, which mostly flows through the foreign bank accounts of Islamic political parties and various cultural and humanitarian institutions.

It was precisely in this way that the arrival of more than 2,000 volunteers from Afghanistan, Iran, Libya, and several other Islamic states, and also from some West European states, was financed. The first volunteers already came through Croatian ports to the territory of Bosnia-Hercegovina three months ago. Their arrival was organized by individual SDA [Party of Democratic Action] leaders. The volunteers gathered in the Middle East, and Lebanese leader of the Hezbolah Hasan Nasralah and Iranian President Ali Hamnei took care of this. The mission of the mojahedin and (?PASDARANI) who came to the territory of Bosnia-Hercegovina is the "defense of Islamic brothers throughout the entire world, war against infidels, and fulfillment of the Islamic brothers' goals, regardless of whether they are threatened by their real enemies or friends of their enemies."

With the arrival of the Muslim volunteers, conflicts began between the Croatian Defense Council and the Bosnia-Hercegovina Army. Reliable and well-informed sources state, and also have proof for their claim, that the dispute between the above-mentioned armies was staged by the Counterintelligence Service [KOS] of the Yugoslav Army's [JOS] Security Administration. It was assisted in this by the counterintelligence officers who had already infiltrated these units previously. One of them was also former Bosnia-Hercegovina Minister of Internal Affairs Delimustafic, who took care of infiltrating a large number of KOS members into the security centers and also the very leadership of the SDA. Those people, at the very beginning of the war in Bosnia-Hercegovina, informed the leadership in Belgrade about all the steps taken by the Bosnian government and the SDA leadership. Through these channels, the former JLA [Yugoslav People's Army] also obtained the document on the organization of the so-called Patriotic League of the Peoples of Bosnia-Hercegovina, with detailed plans of the actions that the League was planning and the actions that were being prepared by the Muslim-Croatian part of the state. In time, the Belgrade intelligence officers also penetrated the very military leadership of the Bosnia-Hercegovina Army, and the most important of them were Zejnil Delilovic and Jovan Divjak. At the beginning of January 1993, the Belgrade leadership sent other agents in the Bosnia-Hercegovina Army a message saying that "because of the increasingly larger number of mojahedin and Croatia's increasingly closer cooperation with the Muslim forces in Bosnia, it is necessary to intensify the activities through which we will cause intolerance and conflicts between the Croatian and Muslim forces. We will achieve this by joining the radio communications of both sides, and at the same time publishing information that will cause disagreements, confusion, and distrust between allies and at the same time it is necessary to redirect the attention to possible separate talks and the conclusion of peace agreements with political activities and then carefully chosen details inform the Muslim side. It is also necessary to do all of this in relations between the Muslim and Serbian sides, and then inform the Croatian side about selected details."

They also did all this. Furthermore, the counterintelligence agents in the Bosnia-Hercegovina Army, while also presenting themselves as extremists, convinced some of the mojahedin that the Croatian Defense Council and the Croatian Army wanted to seize Muslim territory, which would understandably cause confusion and fear. At the same time, it is necessary to use political activities to redirect attention to the possibility of separate agreements between the Croatian and Serbian sides, and then, through careful [words missing in original], divide with the Serbian side. The key role in this was played by the Bosnia-Hercegovina chief of staff, Sefer Halilovic, who even ordered members of the Bosnia-Hercegovina Army not to carry out the defense minister's orders aand also not to join the Croatian Defense Council at any cost, not even in those areas that were completely controlled by the Croatian armed forces. A message that the Croatian side had betrayed them was then sent to Alija Izetbegovic, members of the Bosnia-Hercegovina Army, and also the paramilitary formations active on Croatian territory. As the culmination of the activity of the Belgrade intelligence officers in the Bosnia-Hercegovina Army, a report appeared that was then sent to the Croatian Defense Council's intelligence officers, according to which "the Muslims, in a very short time, are to receive a rather large amount of weapons and military equipment, which they are to use to drive Croats out of the areas that they received according to the Geneva agreement, and in addition to this, they are also to destroy the Croatian settlements in those areas completely." Among other things, the above-mentioned report said that Alija Izetbegovic had received large quantities of missiles and other heavy weapons, large-caliber shells, field vehicles, etc. from Iran. It was also stated that these weapons had been loaded at the Karachi port in Pakistan; the course of the Dolphin 1 ship was described; and the final station was supposed to have been the Rijeka port. Then the same notification was also sent to NATO officials in order to portray Croatia as a country that was violating the arms embargo. This, of course, was in case Croatia itself did not informed the responsible international organizations about the cargo of the above-mentioned ship. To be sure, the malice with which they would aggravate the conflicts between the Croats and Muslims was not the only reason for publishing the above-mentioned report. While all eyes were directed at the Dolphin 1 ship, a large number of components from which long-range surface-to-surface missiles could be assembled was brought to Serbia from Cyprus.

Tudjman Confers With Bosnian Presidency Member

LD2202141593 Belgrade TANJUG in English 1317 GMT 22 Feb 93

[Text] Zagreb, February 22 (TANJUG)—President of the breakaway Yugoslav Republic of Croatia Franjo Tudjman conferred Sunday [21 February] night in Zagreb with Bosnia-Hercegovina Moslem-Croat Presidency member Ejup Ganic, as announced in Zagreb Monday [22 February].

"Relations between Croats and Moslems in Bosnia-Hercegovina and the need to eliminate all disagreements between these two peoples" were discussed during the talk.

An ethnic, religious and civil war raged in Bosnia-Hercegovina between the local Serbs (31 percent of the republic's population), Croats (17 percent) and Moslems (44 percent) for the past ten months. At the beginning of the war, the Croats and Moslems formed a coalition against the Bosnian Serbs, in the recent months the coalition partners increasingly frequently clashed over territories.

Ganic is a Moslem, as is also the majority of people in the Bosnia-Hercegovina authorities. The Bosnian Serbs do not recognize this authority, and have last year proclaimed their own republic on the territories they control.

The representatives of the three national communities are to rally Wednesday at the U.N. headquarters in New York to continue talks on the peace plan for Bosnia-Hercegovina. The plan was designed by cochairmen of the conference on former Yugoslavia Cyrus Vance and David Owen. The representatives of Bosnian Croats have stated they would surely go to New York.

The delegations of Moslems and Serbs have announced they would be coming, but it remained uncertain as yet whether they would be headed by their respective leaders Alija Izetbegovic and Ravodan Karadzic.

Reshuffle in Krajina Government, Knin TV Viewed

AU2302094293 Belgrade POLITIKA in Serbo-Croatian 13 Feb 93 p 11

[Report by Milan Cetnik: "Who Rules Over Krajina Government?"]

[Text] Knin, 12 February—The government of the Republic of Serbian Krajina [RSK], which is continuously based in Knin because of the state of war, made a reshuffle in its ministerial team. According to the official statement, Colonel Stojan Spanovic, the Defense Minister, "is taking over a new office," while his function is being taken over by the Prime Minister Zdravko Zecevic. Deputy Prime Minister Veljko Dzakula, and the Minister of Transport Savan Grabundzija are being relieved of their duties, while Dusan Vitez from Okucani and Branko Simpraga from Knin have been appointed instead. David Rastovic is appointed new director of the RSK Radio-Television.

The room in which the marathon session took place is situated beside the press-center, sharing the same balcony. While the ministers were negotiating, rumors circulated that something inside was definitely breaking. The balcony was full of security people from Martic's, Zecevic's, Arkan's, and Hadzic's units. On the landing of the staircase leading to the second floor were David Ristovic's bodyguards.

The situation reminded one of my colleagues in the press-center of the observation by Vuk Karadzic [Serbian 18th century linguist] about "Jakov's guys, Curcija's guys, Karadjordje's guys...."

Wandering Through Political Labyrinths

No one in Knin is ready to offer with certainty its diagnosis of what has been happening on the highest level of the Krajina authorities. Instead, the shrugging of shoulders, or general critical remarks with a hint of revolt, are the most prevalent reactions. Is it about a rearrangement of power among the ruling circles, or about large conceptual disagreements regarding the future political moves?

Nevertheless, the most frequent question is who needs political disagreements at the moment when the Croatian "army" is trying the biological fiber of the Krajina Republic and its people. The public has even been speculating with quite weighty words like "putsch," or so.

According to the Krajina Constitution, the appointments and reappointments of ministers are definite only when the Assembly approves them, however in conditions of war such decisions are verified by the President of the RSK.

That something has really been happening is confirmed these days by frequent changes in the security scheme in the building of the former army hall where the government sits, that is to say in the place of the aforementioned change of the security staff structure. Besides, the officials have had less and less time for journalists, or guests like, for instance, Captain Dragan. A certain haste and insecurity have been the indicators of political changes, but also a cause for anxiety for those who always place vital interests before a meander through political labyrinths.

The best illustration of the situation is, as usual, the chaotic events regarding the Knin Radio-Television [RTV].

On the one side is the political opposition team lead by Milan Babic, and on the other side is the Krajina government, and both of them claim the same right to control this media house. For almost a year the Knin

RTV has been managed by two parallel directors, one of whom has always been on the sidelines. However, in the last several days things have grown intensely complicated, so that the standard way of distinguishing (between Babic's director and the government's director) lost its outline, and gained in variety.

Several months ago, when the director Drago Kovacevic had taken over the steering-wheel from the government's director Branko Marjanovic, Martic's coalition refrained from arbitrating in the dispute. A week ago the government's director Milan Grkovic, who had in the meantime succeeded Marjanovic, entered the doors of the Knin Radio Station heading a group of armed people, and forced Kovacevic to leave the editorial office. For two or three days Grkovic's people guarded the entrance hall of the Radio Station only to hear that Grkovic had been arrested!

In fact, the unofficial affirmation of Grkovic's "isolation" came from a reliable enough source. Kovacevic went on doing his job, and the protection of the building was taken over by the members of the Ministry of Internal Affairs [MUP], that is to say by Milan Martic's people. And finally, last night and this morning, two things happened that opened the door of political paradox in this situation that already resembled a Kafka novel.

The government announced that Minister of Sport Rostovic was reappointed new director of the Krajina RTV, and that was initiated by the "Minister of Internal Affairs," namely Martic. Observers ironically comment that the MUP arrested "its" director, only to appoint, quite unusually, a new one at the proposal of its minister Martic.

New Director Forbidden To Enter the RTV

And just when local analysts started to gather some seemingly sure leads, finally having "located" Martic within an entangled course of events, this morning a new twist occurred. The security service at the Radio Station entrance, that is to say members of the MUP, did not let the new government's director Rastovic enter the building! And allegedly, according to the official government statement, the man had been proposed for that function by the Minister of Internal Affairs personally.

Thus, while the Knin Radio Station is becoming an incredible medium for confusing political observers, journalists, and their readers, the employees of the Knin RTV do not know at any moment of the day or night, who their superior is.

There are many people who, in the momentarily convalescent political situation in Knin, speculate over the influence of non-Krajina political factors. One can hear from those who are close to the MUP heads that even the position of Martic, the only remaining man of politics from Knin in the Krajina leadership, is shaky. Some people connect that with last summer, when Martic forbade the activities of the Krajina Secret Service.

The public still hopes for a reasonable settlement, without tremors that could endanger the defense ability of Krajina. The people from Knin hope that the top people will be able to follow the example of General Milo Novakovic, Chief of the General Staff, who moves around without "guys": His escort is called the Serbian Army of Krajina.

Conditions for UNPROFOR Mandate Extension

93BA0598A Zagreb NOVI VJESNIK in Serbo-Croatian 31 Jan 93 p 9

[Interview with Dr. Ivo Sanader, deputy foreign minister of the Republic of Croatia, by Aleksa Crnjakovic; place and date not given: "The Croatian Compass Is Directed Toward the United States"]

[Text] *The interview with Dr. Ivo Sanader, a new personnel acquisition in the Croatian Foreign Ministry, was pleasant and very frank, perhaps unusually so for diplomacy. The deputy minister is not yet infected with the diplomatic language, but given his noticeable moderateness in expression, perhaps the virus has bypassed him. He has on his side certain fortunate circumstances which will not allow rigidity in speech, bearing, and dress. Dr. Sanader belongs to the middle generation of Croatian intellectuals, he has spent a large part of his time behind the Iron Curtain, and neither he nor the family in which he grew up ever belonged to the unfortunate ideology which was the evil but inevitable fate of the old diplomacy. And presumably his many years of involvement with the fine arts will help to persuade him that it is possible to speak agreeably even about disagreeable things. Although among the original supporters of the party, and still a wholehearted follower of Tudjman's orientation, Dr. Sanader, along with a few other people, belongs in that segment of the Croatian political scene with which the president is building the new image of Croatian politics.*

[Crnjakovic] Although you have been in Croatian diplomatic circles only some 20 days, you have been virtually flooded with events, and I assume that you can evaluate Croatia's "diplomatic score" in the world at the moment after the successful Croatian action which left no one indifferent.

[Sanader] Yes, the action related to Maslenica Gorge evoked a stormy international reaction. Perhaps we ought not to repeat why Croatia was forced to act, but I must nevertheless say that following several months of very intensive diplomatic activities by Dr. Tudjman, the Croatian Government, and Croatian diplomacy the time had simply come for us to say that we could no longer wait for a solution which was not coming. Southern Croatia is dependent upon one and only one ferry, which is supposed to be salvation for a million people! Following all the actions taken at the diplomatic level, Dr. Tudjman's letters and the talks in Geneva, where there was quite specific discussion of that bridge that is important to us in the presence of both the cochairmen and the Serbian representatives, should have made people realize the seriousness of Croatia's need for that transportation route. No one opposed building the bridge. Nevertheless, nothing could get done.

"Some People in the World Do Not Know Geography"

[Crnjakovic] You say that no one opposed building the bridge, but now that Croatia has finally demonstrated that it is thinking seriously such stormy reactions are coming from those same negotiators. Did you expect that?

[Sanader] We expected a reaction, although not so harsh, because even the UN secretary general agreed with the December letter sent to him by President Tudjman. On 6 January, cochairmen Vance and Owen presented President Tudjman's proposal to Milosevic and Cosic, which set forth the basic prerequisites for normalization of Croatian-Serbian relations, including discussion of the Maslenica Gorge. When they returned from Belgrade, I recall, they were very happy to be bringing us good news. In any case, we tried to "cover ourselves" on the other side as well, and so with the agreement, and, if you like, even advice, of the cochairmen and secretary general, we tried to establish contact with the Knin Serbs through Mr. Thornberry, who made attempts to arrange a meeting. Croatia attributed a very high level of importance to the meeting arranged with the Knin Serbs. Mr. Milas was designated to head up this effort. We even accepted the agenda proposed by the Serbian side. But the Serbs postponed the meeting.

[Crnjakovic] It is astounding that the Croatian action in which Croatia was liberating what belongs to it should have been so fierce, but it is just as astounding that people should be consciously or unconsciously unaware of things. The BBC, for example, says that this was aggression against the "Serbian Republic which is an immediate neighbor of the Republic of Croatia." How do you interpret that aggression by the media?

[Sanader] There are those in the world who still do not have a good command of geography, and there are also those who write tendentiously about this, who are not objective observers. Some of the TV networks seem to be lifting quotes from Cosic's letter. There is, of course, no Serbian Republic, Croatia has been given international recognition within its borders, Croatian territory is occupied, and, finally, the peace plan has not been carried out. To be sure, we are happy that the UNPROFOR [UN Protection Force] has done its first and biggest job—stopping the war, which meant saving many lives. But it has not done the second job—carrying out the Vance plan. One of the reasons why we undertook the limited action was in fact the understandable impatience of the Croatian people.

[Crnjakovic] Did the world's diplomats understand that?

[Sanader] Unlike some of the media, the leading political factors of the international community know quite well what is involved here, where Croatia's border is, and who is the aggressor. But it does not want resumption of the conflict, but wants continuation of the road we have set out on. They know that the beginning of a far greater crisis is possible here.

[Crnjakovic] Our aggressive neighbors, not only the Knin extremists, obviously have their own reading of the Vance plan. Is this a case of unclear diplomatic language in which the plan is written or a deliberate deception? You have seen that even the Montenegrin police minister is talking nonsense about Prevlaka as their land, about how the Vance plan is only the introduction to political trading.

[Sanader] Either he is extremely misinformed, which is difficult to believe, or he is being arrogant, because what he said has not the slightest connection to what was agreed. The situation concerning Prevlaka is clear.

[Crnjakovic] The future role of the peacekeeping forces is also unclear. Until recently, we were putting the question of whether Croatia would extend their mandate, and now some people are asking whether the United Nations will even want to extend its mandate or will withdraw it forces? Are these only rumors?

The Chance for Peace

[Sanader] Some of the comments which allegedly question extension of the mandate do not correspond to reality. The UNPROFOR guarantees the basic preconditions for a peaceful solution in this entire area. It is an intermediary between the belligerents, it is present in the negotiations, providing an arbitrating element. I think that the United Nations quite certainly will want to extend the mandate of the UNPROFOR in Croatia and extend it to B-H [Bosnia-Hercegovina], because that is the only possible way and chance for settling the crisis peacefully. As far as Croatia is concerned, we are only asking that the UNPROFOR perform its job to the end. To complete it, and only three weeks are left before the end of the one-year mandate, the agreement should probably be extended, because in the short time that is left they cannot do the tasks in the Vance plan that have been left undone. But this time Croatia will talk about the conditions, the manner, and completion dates. When we look at it soberly, I think that the UNPROFOR will begin to do its job after everything that happened as a reaction to our limited action. I think the mandate will be extended.

[Crnjakovic] Is Croatia threatened with sanctions?

[Sanader] I assure you that the international community will not undertake economic or other sanctions against Croatia, because it is aware that Croatia is the factor in the Balkans that wants peace. We merely do not allow an occupier to continue to "do what he likes with us." There is no peace in the Balkans without normalization of Croatian-Serbian relations, and all activities of the Croatian Supreme Command and Croatian diplomacy are aimed at a peaceful, but just solution of the crisis. The world community can be certain that in Croatia it will always have a partner that will respect all negotiations and agreements if they are carried out.

[Crnjakovic] Will Croatia go back to the initial positions, in keeping with Resolution 802?

[Sanader] Yes, if the Serbian extremists are disarmed and the weapons returned.

[Crnjakovic] The speed and fierceness of the reaction of the Russian Federation's diplomatic corps was not unexpected for the Croatian people. Was it for you? How do you assess the talk with Mr. Vitaliy Churkin, deputy foreign minister who suddenly flew to Zagreb?

[Sanader] My interpretation of the visit is that the Russian Federation wanted to get information about what happened directly. I do not agree with the assessment that a severe condemnation of Croatia was in question. At the airport, during the welcoming ceremony, Mr. Churkin set forth his view toward Croatia in terms that were a bit hard, but after talks with President Tudjman, which I attended, he saw and gained a completely clear idea of what had happened and what Croatian views are. The overall result of the visit to President Tudjman is such that we can be quite satisfied. With his surprise visit, he offered us a chance to express our views to him, and now the Russian president and Minister Kozyrev also know our view of events, because they certainly are familiar with the other one. On Friday, at his request, I also received Kerestidyanats, the Russian ambassador, with whom I continued the talks on cooperation between the two countries, about improvement of our bilateral relations. We did not expect the visit of Mr. Churkin, but we made good use of it.

[Crnjakovic] Did you ask them whether they are supplying arms and petroleum to Serbia?

[Sanader] Be assured that we said everything that we should have said. We even told them that it was strange that there is not a single Russian correspondent in Zagreb, they are all in Belgrade, and I think that soon they will send reporters to Croatia as well. The Russian Federation is giving full support to the efforts of the cochairmen of the Geneva Conference. That is something else that is important for us to know.

"Static in Communications" With Germany

[Crnjakovic] Is Croatia turned toward the United States, the leading force in the world, abandoning its unsuccessful European partners, Germany above all?

[Sanader] I would not make a direct connection between the diplomatic efforts toward those two countries. It is a matter of two factors in international and Croatian foreign policy which we must keep separate. There is no doubt whatsoever that Croatia will be trying with the new U.S. Administration of Bill Clinton to establish better cooperation than with the previous administration. There is no doubt whatsoever that the United States is the leading world force and that Croatia must try to have good relations with it. You are right, and I am glad that you have noted that Croatian policy has begun to commit itself to a greater extent and more directly toward the United States. This is the biggest task of Croatian diplomacy at this time. President Tudjman stated that very directly in certain conversations. But as far as German-Croatian relations are concerned, we cannot deny that we are interested in friendly relations with Germany because of several essential reasons. We cannot ignore the fact that a large number of Croats have been in Germany for a long time, that traditionally we have good relations which we want to continue. Nevertheless, there are some indications that tell us that for certain reasons Germany is reacting in a way that is a bit surprising to us. A few days ago, our minister, Dr. Skrabalo, visited the German foreign minister, Kinkel, and they talked longer than envisaged by the protocol, which means that the German side is also interested in friendly relations with Croatia. But there has been some "static in communications" with Germany. The argument that relations have cooled is supported by the negative attitude toward Croatia in the German press, which is for me disturbing and unfortunate. The press is not, of course, directly connected to the German Government, but there were some surprising articles after the Maslenica action which were less objective than in the media traditionally disinclined toward Croatia in certain other countries.

[Crnjakovic] Every cloud has a silver lining. We suddenly get the impression that France is more inclined to us than it ever was. Has there been a diplomatic turnaround?

[Sanader] I agree with you that there has been a change of direction. Dr. Tudjman has been to Paris at Mitterrand's invitation, and the result of the talks was very favorable. I think that France is really changing its attitude toward Croatia.

[Crnjakovic] Is it realistic to expect military intervention, the bombing of Serbian airfields and heavy armament? Mr. Warren Christopher does not believe that a decision will be made soon.

[Sanader] I think that military intervention is unlikely so long as the Geneva Conference has a chance. So, the political road, and then perhaps the military road.

[Crnjakovic] Whenever tension rises, rumors get started about an alleged bombing of Zagreb. Disinformation?

[Sanader] Not to worry.

Situation in Bihac Area Muslim Enclave

93BA0586A Zagreb DANAS in Serbo-Croatian 5 Feb 93 pp 26-29

[Article by Zehrudin Isakovic including interview with Fikret Abdic, former general director of Agrokomerc; place and date not given: "From Velika Kladusa: Baba's Kingdom: Bihac Okrug Accessible Only by Small Farm Airplane"]

[Text] It is actually hard to get to the large Muslim enclave or, in Geneva terminology, province number 1, which many call Cazin Krajina, even though that borderland is only part of the region, because that part of the former B-H [Bosnia-Hercegovina] has been completely isolated for months now. That is why any and all information on life there has been incomplete and largely unavailable to the public. Only the occasional gossip-monger has brought rumors about an alleged conflict between Baba (Fikret Abdic) and certain local officials of the newly formed Bihac Okrug Assembly. Those with better intentions have brought reports of successes by allied units of the HVO [Croatian Defense Council] and the Army of B-H. Stories have also been heard about widespread smuggling by (again) allied units of Velika Kladusa black-marketeers and those from the so-called SAO [Serbian Autonomous Region of] Krajina....

According to the good old rule of journalism, the best thing is to go see for yourself. But how?

The humanitarian corridor, which leads to this B-H island from the Croatian side through "meadows, woods, and plowfields" occupied by Serbian troops, is used exclusively by UNPROFOR [UN Protection Force] and is available only to foreign journalists, although one should not bet a lot of money on their safety either. However, as usual when faced with an insurmountable problem, look to the sky... and a solution is at hand.

Thus, we fly in a small Spanish "Kaza," an airplane whose almost regular humanitarian flights from Zagreb to Cazin are the fruit of the creative "Catholic-Islamic" coalition. These flights are that region's only informal connection with Croatia, and thus indirectly with B-H as well. And while the lights of Zagreb gradually give way to the winter darkness, the pilot warns us that shortly we will have to stop using our flashes because of the danger of Serbian antiaircraft fire. After 40 minutes, the atmosphere in the bowels of the aircraft is traded in for the cold wind of the Cazin plateau. The improvised runway where the aircraft has landed is jointly served and controlled by HVO and Army of B-H units. Talking with them is the first contact and the introduction to the story about the former (and current?) kingdom of the borderland Baba, Fikret Abdic, who is the exception to the rule that the state always wins in a dispute with an individual. We leave into the night in some strange combination of an all-terrain and luxury vehicle.

Rope Across the Water

For the most part, Velika Kladusa has not experienced any real manifestations of the war. But all other contemptible conditions are in evidence here. Most of all black-marketeering, poverty, and a little hunger, although not as much as in, say, Zenica. Walking through the streets and markets of Kladusa, we familiarize ourselves with prices that even the most exclusive spots on the face of the earth would not be ashamed of, and of course, with the rules of commerce. All goods are paid for exclusively with German marks and Austrian schillings. Black-marketeers regard other convertible currencies with suspicion or even contempt. A carton of cigarettes is at least 35 German marks [DM], while a liter of gasoline is DM8. That is still cheap, they say, because until recently cigarettes were DM100, and there was no gasoline available. A sack of flour (25 kg) in these bad times costs DM100, but since there were only a few at a time when black-marketeering with Serbs from the so-called SAO Krajina was a monopoly, I did not dare inquire into it. If you are a little more curious, but also a good customer, the supplier will reveal to you an open secret, that already a rather large number of Kladusans are acquiring goods from the neighboring Serbian para-state, which "is indeed Chetnik," but money is presumably supernational. Now this black-marketeering is almost routine business, but previously, while it was all covered by a veil of secrecy, it sometimes caused undoubtedly "strange" situations. The largest share of the exchange of goods and money across the Glina River, which divides the provisional states (both the SAO Krajina and Bihac Okrug are temporarily functioning as independent political entities), is conducted by stretching a double rope across the water, after which the black-marketeers attach whatever they are offering (goods or money) and each person pulls on the side to which what he wants is attached. The goods are sent to the Kladusa market, and then to Cazin, and finally they end up in Bihac, where they are much more expensive. And besides being the most expensive, they are also subjected to regular artillery fire, which is an almost everyday image at Bosnian market places. The exoticism of this market place (if that is what you can call the ramshackle place where a few cigarettes and a little cooking oil and coffee is set out) is complemented by the B-H dinar, which lately has actually been losing the battle with, apparently, the somewhat more stable German mark.

But let us return to Kladusa, because that is where Fikret Abdic, who returned to his "electoral base" back at the end of last August, "lives and works." They say that he had several important reasons for this, the most important of which at the time—aside from the fact that he was banished from his party (SDA [Party of Democratic Action]) and the increasingly vocal clashes with Alija Izetbegovic—was the report that someone else had been appointed to his post as general director of Agrokomerc.

Little and Big Leaders

To an experienced politician and businessman, this was a sure sign that not much was as it should be, and seven days after he announced his arrival (as he says, for his personal safety), he finally turned up in Velika Kladusa. Abdic himself best describes, in his own manner, the situation that he found there: "Here, it is now a question of creating new leaders. Little leaders call me up and say, 'It's war!' as if it is something different now."

Fikret Abdic said angrily during the interview, "I was Babo, remained Babo, and will continue to be Babo!" What is it that made the great Baba so angry?

Aside from the fact that without his knowledge they replaced him at Agrokomerc, which he regards (probably with justification) exclusively as his own work, they began, as Fikret Abdic himself says, to "slander" him, first secretly at meetings, then more and more bravely, and finally publicly, all in order to discredit him morally and later politically as well, all of which began with the political leadership of the SDA, the party to which Abdic belongs.

The decisive step was taken, however, with the formation of the Bihac Okrug Assembly, headed by Irfan Ljubijankic, a doctor from Bihac and up to then the SDA chairman for that region. The new territorial and political organization, according to which the newly established Bihac Okrug includes—besides Bihac—Velika Kladusa, Cazin, and Bosanska Krupa, justifies itself by the war situation, and accordingly, by new needs. By setting up that political body (the Okrug Assembly), the government, split along opcina lines, was combined in one Assembly and moved to the city of Bihac, which is not unimportant given the many years of rivalry. As Abdic puts it, Mirsad Veladzic—who like Ljubijankic is a high-ranking SDA official—appointed himself chairman of the executive committee.

The two of them began to bother Baba because he believes that they are the cause of the troubles that he has experienced, so that he has not recognized the Assembly as a legal and legitimate institution of power, invoking legal regulations that are, in all honesty, of dubious quality.

Specifically, it is very difficult during wartime, which is a completely extralegal situation (although I do not doubt that there have been attempts to somehow channel war in legal terms as well, but that is in contradiction to its essence), to invoke constitutional provisions, especially in a country that is functioning as several free islands in which an attempt is being made to establish some sense of law and order.

But be that as it may, since Fikret Abdic did not like the ill-fated Assembly or, to be more accurate, its personnel appointments, he decided to arrange everything in his own way. First, he says, he verified his standing among the people through several rallies ("which was necessary because of the newly emerged war situation, but the voters cast their votes during peacetime"), so that after the citizens authorized him through plebiscite to do what he wanted, he set out to settle scores.

The first consequence of this was the resignation of Mirsad Veladzic from the post of chairman of the executive committee of the Velika Kladusa Opcina Assembly (Veladzic had obtained for himself two parallel positions: the post of chairman of the executive council of Kladusa Opcina Assembly, and the same post for the entire Okrug), which the committee members presumably did not accept, splitting along the lines of Abdic and Veladzic supporters.

Those who are better-informed say that the resignation is tactical in nature and that its goal is to "probe the field," to survey one's strength. The formal conceptual difference (which in a situation of strained relations becomes essential) between these two factions lies in the fact that the leaders from the okrug give top priority to the question of defense (or rather liberating occupied territories), while Abdic allegedly prefers economic questions, although he will assert here that without his food "their soldiers will starve to death."

Irfan Ljubijankic says of Abdic: "He is a peculiar man, very colorful, a strong man of uncurbed energy, a man who must continuously prove himself. He respects neither the state nor its laws. On the scale of values, of priorities, for Fikret Abdic, Agrokomerc is at the top, and after that comes everything else, including armed combat."

State Within a State

Still, it must be understood that both Fikret Abdic and the political leadership of Bihac Okrug have done a great deal for this little piece of sovereign and internationally recognized B-H, each in his own way. If it were not for the personal skirmishing, the different ideas that they have would not be mutually exclusive. On the contrary, they could be very complementary. Except for their wrangling, they have jointly managed to provide rather good organization both for defense and for the functioning of other aspects of life here. During our stay, there was in fact an offensive by the Army of B-H and HVO soldiers at the worst local battlefield—Grabez, where they say that one of the strongest Chetnik fortresses in all of B-H is located. A soldier gets DM50 for every liquidated enemy dugout, which they say was an incentive for some, who earned as much as several hundred marks. This money comes from a fund set up by workers from this region who are working abroad. Among the borderland emigre community—which is always the most extremist, often gets it way—there has always been the idea, among others, of independence for the Bihac region as a separate state, for which even certain historical analogies have been found.

The people with whom we spoke, however, contend that such factions are rather weak and that they are not a real political force, although I dare say that time generally favors the advocates of the theory of an independent—what might be termed—Cazin state, especially because of the intention to divide Bosnia into provinces.

Province number 1 (Bihac region) in this case would be completely surrounded by Serbian fields, plowland, pastures, rivers, and woods, which is not exactly the most fortunate circumstance with regard to its ties with Sarajevo.

Indeed, even now with only fax connections to Sarajevo, this Muslim enclave is functioning as an independent political organism, although the (justified) feeling of being threatened will draw the Muslims toward mutual ties that are as solid as possible.

But for now, the people of this borderland are left to hope that the usually destructive energy of the struggle for power—to get back to that subject—will be sublimated into a positive attitude toward their own work, the ultimate result of which could nevertheless be positive, especially because neither of the two factions has any prospect of emerging victorious in the immediate future: Baba has behind him his skillfully manipulated people, and Ljubijankic and Veladzic have behind them the almost unscathed Izetbegovic, who is still sounded out about things in Bosnia, regardless of the aggravated circumstances.

Asked about the problem of the escalation of blackmarketeering in his opcina (Velika Kladusa), Mirsad Veladzic says, "We have tried many measures to solve this problem, but the area of contact with Croatia, where it is now the so-called SAO Krajina, is very large, longer than 70 km. But in the following period this problem will be solved by opening up a commercial corridor, which the international institutions have promised us, so that we can begin with normal deliveries."

Opening up a commercial corridor would solve a large share of the—what might be termed—civilian problems. It is probable that fewer people from this region would leave their homes.

But until then, the route by which I returned to Zagreb is the only one. And this time, besides the pilot and me, there were eight passengers in the dark bowels of the airplane (who knows how they got their seats), patiently awaiting the lights of Zagreb.

[Box, p 28]

Fikret Abdic: Telephone Is Vote

[Isakovic] A certain time ago, the president of the B-H Presidency issued an order on the return of all officials to work in Sarajevo. That deadline has long since passed, and you are still here?

[Abdic] First of all, if I were thinking of returning, I would not have come here. When I came, I knew that there were great needs and demands by the citizens that I come. Besides that, I am a member of the B-H Presidency on every square inch of this country. I have my fax, my satellite telephone, and there is a telephone and fax at the Presidency as well.... Whenever they need my vote, they have a quorum even without me, or when they need certain material on which they need my consultation, they have the ability to get it. Thus, first of all, I am in B-H, I do not fall into the category of those who have left it. Second, I am in a very sensitive region, which is surrounded and has been completely isolated from the state of B-H for months now, and it is only through me that a connection can be established between the republican representative and the field here. There are seven of us in the Presidency, and seven of these former regions, and if each of us were to cover our own territory and had our own satellite connection, then we would have the complete republic and its situation in hand, because we would be acting in the field and in practice.

[Isakovic] You are often accused of trading with the so-called SAO Krajina?

[Abdic] Those accusations are from earlier. I am constantly charged with being in league with Chetniks—which is logical because people are most sensitive to that, and they are looking for what irritates the people most of all. And what concerns you journalists—it is simply that way because today in Zagreb there are more literate people from this region or working for this region, at the Intercontinental, Dubrovnik, or Palace, than there are here, in our surrounded position. And you meet with those people, you are not here and have no idea of what is going on, but you report on it. That is improvisation. And as far as the latest Agrokomerc boom in supplies is concerned, it has no connection whatsoever with the so-called SAO Krajina, and through that boom we have drastically lowered prices of all food items that were in fact arriving from that region through black-market channels.

[Isakovic] There is (dis)information going around to the effect that you want to create an independent state?

[Abdic] Absolutely untrue.

Biography, Views of Croatian Army Chief

93BA0576B Belgrade NIN in Serbo-Croatian 5 Feb 93 pp 14-15

[Article by Petar Nesic: "With Fire, Sword, and Tudjman"]

[Text] The Croatian train will not be stopped until all its territory is restored. That is what Janko Bobetko, corps general and chief of the General Staff of the Army of Croatia, said a few days after the attack on the "pink area."

Omitted from the latter-day Yugoslav military encyclopedias, up until 1970 he is listed with an appropriate write-up: "Janko Bobetko (Crnci kod Petrinje, 10 January 1919-), lieutenant colonel general in the JNA [Yugoslav People's Army]. Before the war, he studied in the School of Veterinary Science at Zagreb University, he joined the Communist Party of Yugoslavia in 1938. He took part in the war beginning in 1941 and prepared the uprising in his native area, and during the war he was political commissar of the 3d Brigade of the 7th Division and then of the 32d Division. He graduated from the Higher Military Academy of the JNA and completed the course of the War Operations School of the JNA. After the war, he was a division political commissar, commanding officer of a naval landing detachment, assistant commanding officer for the rear of a military district, chief of staff of the 5th Army, etc. He has been decorated with the Order of the War Banner with silver garland and the Order of Service to the People with gold star."

Today, the Croatian press, which is mainly right-wing, sees Bobetko as the most famous Croatian general. In the Croatian-Yugoslav war, he did not particularly distinguish himself. He experienced reincarnation in B-H [Bosnia-Hercegovina]. As commander of the "southern theater," he commanded there "all significant operations in Hercegovina." He is also thought to be the founder of certain of the most elite units of the Croatian Army [HV].

By contrast with Mr. Tudjman, he was never in prison in the SFRY. Not exactly the most important figure in the "Croatian spring," he was suspended by decision of Josip Broz as a lieutenant colonel general of the JNA in December 1971 "until such time as a determination is made of his accountability for political activity and actions which brought public criticism from sociopolitical organizations and work organizations on the territory of the Socialist Republic of Croatia and within the JNA."

From 1972 until the series of Balkan wars, he was a retired general of the JNA. In the Croatian Assembly, where he was a deputy, he resigned in February 1972, the same day when Josip Boljkovac and Josip Manolic, deputies at the time, were also removed.

He broke his silence once again in the Croatian Assembly in early 1991 after the TV showing of the famous film of KOS [Counterintelligence] concerning the importation of weapons. Although he was not a deputy in the Croatian Assembly, he was summoned to the meeting because of the importance of the historical moment. In chosen words, the person who was then the president of the Croatian Assembly introduced Bobetko as a fighter for Croatian ethnic rights. He enjoyed respect in the Assembly more pronounced than that of more significant participants in the 1971 events.

In December 1991, he remarked: "Thanks to Vukovar, Serbia has lost the war in terms of operational strategy, tactics, and politics. That is why we must say: Croatia, lift your head! The federal army, which for 45 years took almost 75 percent of the national income and which by way of gratitude wanted to occupy all of Croatia, was historically broken at Vukovar. After Vukovar, it is no longer powerful."

He is one of the organizers of cells of the HDZ [Croatian Democratic Union] in his native Banija. At that time, he did not join the most extreme nationalistic rhetoricians. In August 1991, he remarked: "I recently went to a Serbian home in the village Klobucak where I come from and where my entire family went off to join the Partizans. I wanted to see what had changed with my own eyes. First of all, Klobucak, which once was a picture of poverty, is now a village of villas and you can see on the spot how nonsensical it is to talk about any threat to the Serbs. Second, I saw that these people, who got along well with the Croats from the neighboring village Komarovo and others, changed their attitude when the army joined the conflict.... The result, for which someone obviously was longing, was achieved thereby: Today, everyone there is afraid of the others. We have to save those people, both Croats and Serbs, so that a still greater evil does not come of that. That is why I said recently in the Croatian Assembly that we will pursue with fire and the sword those who are committing murders there today, setting fire to houses, and committing all the other evils."

To understand Bobetko's rise to the post of chief of the General Staff of the HV you also have to register the climb of Gojko Susak, the current Croatian defense minister. The innkeeper Susak was unusually active in collecting money for the Croatian national cause, and he himself was a big contributor. Susak, who is from Hercegovina, gained an enviable insight and influence in gathering and distributing money. He formed the Hercegovina lobby in the HDZ and in the government, and he did not get excessively mixed up in party politics. Completely aware of his position in the HDZ system of coordinates, Minister Susak gives the impression of a "moderate." He won the approval of President Tudjman as a good organizer who has turned the Defense Ministry into a political service center for Banski Dvori. He simply passes on Tudjman's directives to the bureaucrats in his ministry. It is during Susak's term that the General Staff of the ZNG [National Guard Corps], that is, the HV, was formed after the fall of Hrvatska Kostajnica in September 1991. General Anton Tus, who heads the Supreme Command, brought into the Supreme Command the former JNA Generals Stimac, Gornusak, Letica, and Bobetko. In the sporadic conflicts between Tus and Susak, in which Tudjman himself served as intermediary, Bobetko has often shown understanding for Susak, explaining to Tudjman his view of the military and historical megaprojects to which Mr. Tudjman is very much inclined.

Gen. Tus, by contrast with Susak and Bobetko, has the custom in lengthy press conferences in which he has not said much of "debating" Mr. Tudjman himself with two sentences, which Susak and Bobetko have never done. No matter, during Tus' tenure, the Croatian Army has become what is usually meant by the word army. It is no longer the case that the local HDZ boss can command military units on his territory, the HOS [Croatian Defense Council] is getting settled, drill is professionalized, subordination is being established, and Bobetko is one of the generals in the Supreme Command. Few can say what he specifically did at that time in the General

Staff. Rumors went around Croatia that it was his idea after the suffering of the Croats (the "massacre near Struga") for commandos dressed up in JNA uniforms to kill Serbs in the village Blinski Kut. The reason is that a similar change of uniforms is attributed to the Partizans in World War II.

Bobetko came to the head of the Croatian Army late last year when Tus was "kicked upstairs" to the post of presidential national security adviser. Dr. Franjo Greguric, former Croatian prime minister, denied the other day that the change in the top Croatian military leadership was "preceded by pressure from emigre lobbies in the HDZ."

"I do not think that is the case," Greguric said.

"Anyway, Gen. Bobetko has come to replace Gen. Tus, and he is a man who went through World War II, he was an officer in the former Yugoslavia, he was punished because of Croatian nationalism, and he has proven himself once again in the war for the homeland...."

The former prime minister is only sorry that Bobetko is not 20 years younger, "although he has the potential of a young man."

It is thought, however, that another reason why Bobetko became the chief is that Tus was more inclined to the idea of Croatia swallowing up the Serbian Republic Krajina patiently, using the advantages of its international position by contrast with blockaded Serbia. But the completely unaggressive option was given up, and that is probably why Bobetko, until yesterday the commanding officer of the "southern theater," came to head the Supreme Command.

In the southern theater, Bobetko formed close ties with the Hercegovinians and Susak, he spent two weeks in the trench with the soldiers, he pushed his own jeep, he worried, and he issued reproaches.

They say of him that he is a "demagogue and a man who can engage the masses." Tudjman found him fascinating because he has a feel for big projects. He is said to like to stand in front of immense maps and decide the fate of millions with blue, red, and green arrows. He is predisposed to carrying out military operations by the book and disinclined to experiment. He is formidable, in the assessment of the top leadership, in the phase when Croatia needs a "combination of a diplomatic and military solution."

Greguric, the former prime minister, explained the Croatian objective today this way: "Rail and highway connections are indispensable to revival of the economy in the broad sense, and economic arguments compel us to open up the occupied transportation routes, and construction of new and better ones is in the future."

And while on 25 January Gen. Janko Bobetko was commanding the attack on the Serbian Republic Krajina and was saying in Zadar "that peace has been restored and conditions brought about for the return of 20,000 people driven out of the region of Zadar," Dr. Branko Horvat announced that "that action was a calculated risk and Tudjman is imitating Milosevic only six months late."

Croatian Army Chief Bobetko on Victory

93BA0584A Zagreb DANAS in Serbo-Croatian 5 Feb 93 pp 10-13

[Interview with Gen. Janko Bobetko, chief of main staff of the Croatian Armed Forces, by Hloverka Novak-Srzic; date and place not given: "Forced Into Victory"]

[Text] *Behind me, and not in front of me, that is the rule of every Croatian officer, and thus of me as general too.*

Most of the media attention last week was seized by Gen. Janko Bobetko, the chief of the main staff of the Croatian Armed Forces [HV]. After the liberation of the area around the Maslenica Bridge, Gen. Bobetko became a real target of journalists, which does not exactly please him. On the other hand, he says, his greatest reward was the beaming faces of Zadar residents and exiles who following the campaign by the Croatian Armed Forces will soon be able to go home. It appears that some journalists have managed to anger him occasionally with exaggerated songs of praise. He says that it would have made him much happier if they had come to visit his soldiers at the front and written about them. Nevertheless, after much prompting he agreed to an interview with DANAS. While we were talking, reports of Chetnik attacks arrived from the southern front. He does not wish to say anything about those military operations. Simply from the expression on his face we conclude that our soldiers are defending themselves successfully.

[Novak-Srzic] Mr. General, after the major victory by the Croatian Armed Forces, which liberated a large part of Zadar opcina, the pink zones, and Peruca Dam, what is your assessment of the current situation in the so-called Southern Sector with regard to the fierce Chetnik attacks and the threat by war criminal Milo Martic that he will even attack Zadar?

[Bobetko] You speak of a major victory, but it should be known that Croatia still has plenty of work ahead of it. This liberation campaign in the Zadar hinterland and in the region around the Maslenica Bridge is one of the more important stages in the liberation of Croatian territory and in restoring Croatia to its borders.

Croatia was not only humiliated by Serbian aggression, but also extremely patient. Because having a front right at Zadar, allowing so many thousands of people to be mistreated for a year and a half, allowing the economy of the entire country to be thrown in jeopardy—this is not only a torment and affront to the Croatian nation, but also a warning that no one will be allowed to do this again. When the president of the republic gave me this assignment, I knew that at this moment this could not be an attempt, a test run, for the person executing this assignment, but rather that it had to be executed completely and thoroughly. That we must show the world that we are not some sort of group of volunteers, but rather that the Croatian nation has a modern and organized military. Accordingly, the task was neither simple nor easy, and it had to be executed at a sensitive place. It was clear to everyone, both here and abroad, and especially to those in UNPROFOR [United Nations Protection Force] responsible for this area, that Croatia was both politically and economically in jeopardy. That sort of situation can be tolerated for several months, but Serbia built its war strategy on that: reducing Croatia to a very small framework and thus setting up a situation where it will never be secure and will always have to accept if not all, then at least some, of the aggressor's conditions and ultimatums. The most horrible thing and the thing that is historically unacceptable is that the Croatian territory of the former capital of Croatian kings is being overrun by Chetnik hordes who kill and act out their lower instincts against our people, forcing them from their homes. The Croatian nation cannot reconcile itself with this. It has the material strength to liberate itself, but also the international justification, about which the president of the republic has in fact spoken many times in Geneva. No one will ever be allowed to make concessions regarding Croatian land.

For these reasons, the Maslenica Campaign gained special importance. I am not willing, nor is there any need to talk about the conditions under which that was executed. I have informed only the president of the republic about that. I can only tell you that occupying the Ravne kotars, where there were real Chetnik strongholds, was not easy. But our biggest success is in greatly raising the spirits of the Croatian nation, which has regained its dignity, and international factors have been shown that Croatia is not some sort of bogus republic, but rather a real republic that knows its strength and its rights. We have let UNPROFOR, which is responsible for the so-called pink zones, know that it must disarm the Chetnik mafia, and have warned them that Croatia will not stand for that style of legitimizing the occupation of its territory. We have at our disposal a mass of documents and photographs that show how close relations are between members of the peacekeeping forces and the Chetnik gangs. That biased relationship raises questions about the authority of the United Nations. Because the United Nations has mortgaged its authority, and its forces are not doing their job as they should, or rather as was agreed to. There are a thousand things that prove this.

[Novak-Srzic] What do you have to say about the charges by UNPROFOR directed at the Croatian side regarding the liberation of Maslenica?

[Bobetko] What does it mean that the Serbs took weapons? What kind of resistance did the UN forces offer? Who was watching over the Chetnik weapons? Did the United Nations call for any sanctions because weapons were taken away from members of its forces? No. All of this is being done in their presence, and they are proving to be powerless. For every Croatian bullet, they ask how we can be so defiant. By returning to Croatia its territory, we are only disrupting the "peace" plans of flirting with the Chetniks and their failure to perform their duties.

[Novak-Srzic] What do you say to this Chetnik counterblow? Could they provoke a renewal of the war in Croatia?

[Bobetko] They are cheering themselves on with that. Not that they would not do so if they could. But we in the HV know exactly what measures we must undertake, and there is no question whatsoever of any surprise being allowed or of Croatia being threatened again in any cheap way.

[Novak-Srzic] What is your interpretation of the fact that Gen. Nambiar and Thornberry did not even try to explain until the end that the area around Maslenica Bridge is a pink zone, and thus a region with a majority Croat population, and that it is not a UNPA [United Nations Protected Area] with a majority Serb population?

[Bobetko] You will have to ask them about that. I have protested to Nambiar three or four times. I told him, first of all, that not only are many of their reports inaccurate but that they also completely misinform the United Nations and Butrus-Ghali. I cannot see how UN officials can take such an overly indulgent approach to the Chetniks while, on the other hand, the Croatian side must always share the blame. As if that were their job, to find out every detail from the Croatian side. I told them, "Gentlemen, shells come from every side during war. How is it that you are now alleging that they are in fact from the Croatian side, where is your proof?" Such a "neutral" stance elicits a negative attitude toward the United Nations. Because what I see, what others see, what we sense in these operations, the Croatian people in the occupied parts of the territory see every day. In contrast to what they write in UNPROFOR reports. It would be normal, regardless of what their personal attitude is, for them to stick to the job that they are doing and that was entrusted to them and spelled out by the Vance Plan, and not to automatically cast the blame on the other side.

[Novak-Srzic] What did Mr. Nambiar say about the theft of heavy weapons?

[Bobetko] He simply says, "We are powerless to prevent it, we do not have the forces." But if someone belongs to an organization as strong as the United Nations, and the Chetniks clearly demonstrate force to him in this way and defy a UN decision and moreover steal weapons along the entire front, then that can only mean that this entire plan was agreed to centrally. The weapons were taken from UNPROFOR throughout the entire territory under their control, from Baranja to Banija.

[Novak-Srzic] A precondition for implementation of the Vance Plan is in fact the disarming of the Chetniks?

[Bobetko] The Vance Plan is absolutely precise and clear. The theft of heavy weaponry from the UNPROFOR warehouses, from tanks to trucks, shows that there was a directive here. The plan was absolutely worked out with a political message as well—look, we are rearming ourselves. This means that you absolutely must consent to the formation of another state in Croatia, and then we will guarantee peace. This is political blackmail. However, the dreams of their borderlands, of their state, of their navy in Novigrad Sea, are obviously an unrealistic dream of the occupiers that is over once and for all.

[Novak-Srzic] Still under Chetnik control are the pink zones of Sibenik, Drnis, Biograd, and Sinj opcinas. What do you predict with regard to implementation of the Vance Plan in that area, but also in other areas under UNPROFOR control?

[Bobetko] I personally think that after the last meeting in Geneva, where the Croats signed all the peace documents for ending the war in B-H [Bosnia-Hercegovina], it must be absolutely clear even to Vance and Owen that there is no longer any turning back. There can be no more delay. The pink zones must fulfill their purpose, meaning that the Chetniks must be disarmed. Croatia must begin to function legally. Through further hesitation and nonimplementation of its obligations, the United Nations would contradict itself.

I believe in its peace mission and expect that as mediator it will halt these current Chetnik attacks.

[Novak-Srzic] What is your interpretation, in this context, of the demands that the Croatian Armed Forces withdraw to its initial positions in the territory of the so-called Southern Sector?

[Bobetko] That would mean letting them back into Zadar, into the streets, so that they can set up machine guns and shell people. Croatia will never allow that. That is Croatian territory, and there are no other states on Croatian territory. That is something for which we must die, and there can be no discussion of that, even theoretically.

[Novak-Srzic] Since the Chetniks have gotten their hands on the warehoused weapons, does that not indicate that the current way in which Serbian units are being disarmed must be changed, and have you perhaps discussed this with Gen. Nambiar?

[Bobetko] I have not directly discussed that subject, but I personally think that this practice too has shown that all of this was done pro forma. This dispossession of weapons was simply the breathing room that the Serbs needed in order to send a large part of their forces to the Bosnian fronts. It was necessary to crush Bosnia, and they did not have enough manpower, so they bought them from Croatian Banija and Kordun.

They accepted some sort of cease-fire in order to solve the problem of Bosnia. The Serbs from the so-called borderlands were sent as reinforcements and special units into Bosnia. During that time, they consented to storing away the weapons left to them by the Yugoslav army because they in fact remained in their own back yards. They knew how much time they needed to go from, say, Orasje to Banija and climb into the tanks. Perhaps the United Nations regarded that as a success, but it was a trick, because now we see that at the same time they all climbed into the tanks and turned their barrels toward us. Accordingly, we can no longer accept this model for disarming. If weapons are stored away, then they must be placed under control, must be recorded, and the peacekeeping forces must prevent their seizure.

[Novak-Srzic] Does the Croatian side have any idea of how much weaponry was taken from UNPROFOR?

[Bobetko] It is known more or less. They will now be doing some redeployment, but we know what they have at their disposal. We know probably 80 percent of how much and what kind of weapons they have. It is up to the peacekeeping forces to warn the world and international organizations that their rearming can only escalate into more widespread war. They are once again trying to launch new conquests in order to somehow neutralize their political as well as military defeat. For those reasons, our vigilance is at its maximum.

[Novak-Srzic] What is your assessment of the situation in the eastern Slavonian region, especially Baranja? Weapons were stolen there as well?

[Bobetko] Not only were weapons taken; their forces were also strengthened. They feel that the Croats will no longer put up with the state of occupation and that the Croatian people want to begin living normally. Right now is the turning point, so that it does not surprise us that they are rearming, but it does surprise us that they have done so in the presence of the forces that were supposed to prevent that.

[Novak-Srzic] What do you have to say about the statement by Gen. Nambiar that the area around Maslenica would be resolved and the Chetnik units would withdraw peacefully simply if the Croatian side were not impatient and had not launched a campaign?

[Bobetko] One must try to find a justification for everything. I think that the gentlemen had plenty of time to ensure the beginning of the bridge construction, which is critically important to Croatia. That too would be an indicator of the effectiveness of their peacekeeping operation here. However, they have done nothing. Our priority consisted of three goals: the Maslenica Bridge, the highway, and the security of Peruca, which the president of the republic asked the United Nations and UNPROFOR to resolve. They did not try to resolve a single one of these issues.

They allowed the Chetniks to threaten the lives of 50,000 people with the dam. If they had solved at least one problem. Not one of them. Now that the flooding has begun, now they have found themselves in an unfavorable situation. And they were adequately warned. I hope that now Gen. Nambiar will become personally involved in halting the Chetnik offensive in the Southern Sector.

[Novak-Srzic] Will Butrus-Ghali have such arguments when he has to make a decision on this region?

[Bobetko] My personal opinion is that he will not applaud, but he also can no longer discuss things from his previous position. We feel that the world is well-aware of how things stand. This is adequate warning to the United Nations that it must do its job more fundamentally and resolutely. We cannot have a repeat of 1938, the year of world indecision, when some people, as today, bought time in order to do nothing. I think that Vance and Lord Owen will present this problem to Butrus-Ghali and the Security Council in more serious terms. Their conscience is now at stake. There is a solution, they must simply decide in favor of it.

[Novak-Srzic] Are certain solutions not indicated by the fact that British and French warships have sailed into the Adriatic?

[Bobetko] They know that sea routes are the main routes in terms of supplies and in terms of security, and that from that area they can act both militarily and politically. The only question now is whether the aggressor will be punished from those aircraft carriers. Now they no longer have to fly from Toulon. They can fly from the Vis region, from the Mediterranean.

[Novak-Srzic] What do you have to say about the flareup of clashes between Muslim forces of the Army of B-H and Croatian defenders in the area of Busovaca and other Croatian regions in B-H, as well as the statement by Sefer Halilovic that the flames of war are going to be lit in major European cities?

[Bobetko] That is a statement by an irresponsible person. That is a pathological statement. What does that mean? It means pushing the Muslim people beyond the point of no return. But they must continue to live in this region. That sort of statement is historically ill-fated and can only serve, both politically and militarily, the operative and strategic Serbian doctrine of a Greater Serbia, because it gives the Serbs breathing room to regroup their forces while the Muslims burn down Croatian houses. That is an ill-fated situation that merits not only condemnation but also deep political analysis concerning why that could even happen. Killing old people and children means the same thing as with the Chetniks. It must be stopped immediately and the only solution must be sought: working together to defend against the common aggressor. Halilovic will not light anything; rather, he will simply push his people further into the cataclysm from which there is no return.

[Novak-Srzic] Why is it that Alija Izetbegovic, for example, did not react to Halilovic's statement?

[Bobetko] I am afraid that Izetbegovic has become a prisoner of his own policy. He forgets that the days of Tito's Yugoslavia are over, that there are other people living in B-H too, that there is a Croatian state and that the Croatian state has historic ties to Croats in B-H and that it will not allow genocide against them. Izetbegovic has been offered a settlement from the very outset. You know that the president of the republic has offered Alija solutions 20 times, including some that were very hard for Croatia to accept at the time, simply in order to reach a settlement. But Izetbegovic is pursuing a policy that means a fight to the last man. Bosnia and the Muslim world have paid a high price for that.

[Novak-Srzic] What is your interpretation of the continuous demands by the Muslim leadership and the Army of B-H that the embargo on the import of arms be lifted?

[Bobetko] He is now trying to make up for what they failed to do earlier, when they were warned that they were about to be hit by a cold wave, when Alija said, "This is not my war, it is Croatia's war, this does not concern me, the army will help me." He has emerged from that illusion in favor of reality. Muslims have been massacred, women raped, territory conquered. The Serbs and that army in which he believed began genocide against the Muslim people, and clearly they need weapons now. Mr. Alija was in hibernation for six months or a year. Importing arms means more and more people in combat.

We have reached the point when the world must take a stand on whether it is their strategy and Europe's aim to allow this region to bleed on until complete exhaustion, after which the West will dictate a solution, or whether they will halt the war. Through a political solution, but also with the position that the aggressor must be forced to withdraw and must be disarmed. If you leave weapons in the hands of the Chetniks in Croatia, if they do not have to recognize the Croatian state, if they have the right to overthrow state institutions, then there is no, nor can there be any, peace.

[Novak-Srzic] Reporters from B-H have said that 8,000 members of the Army of B-H attacked Croatian defenders. As a military expert, can you explain to me why the Muslims did not use these large forces to lift the blockade of Sarajevo?

[Bobetko] That is incomprehensible. Just as Karadzic's gangs ethnically cleansed regions inhabited by Muslims, the Muslims are now cleansing regions where Croats live. They simply want to liquidate Croats in the Sava basin and in central Bosnia, and in this way to absolutely change the map of B-H. If not now, then in five years, clearly. Instead of an agreement, the Croats got retribution, as if it was Croatia that has been attacking Bosnia and the Muslim population, while there are several hundred thousand people in Croatia whom we are feeding and who are a burden to us. Without Croatia, the Muslims can get no help whatsoever. Muslim refugees in our country are not in camps, but rather in hotels, and that many people were massacred in Busovaca. We have given them all forms of assistance, both politically and otherwise, and now they are devastating Croatian towns. Too much is too much.

[Novak-Srzic] Mr. General, there is speculation in foreign and domestic circles about what will become of UNPROFOR. The Serbs are demanding an extension for five years. The Security Council will reach a decision on this.

[Bobetko] The president of the republic, the Assembly, and public political opinion must have the main say in this. No one can reach a decision against Croatia's will. If that institution continues as it has with dragging its feel and giving time and space to the aggressor, then its mandate cannot be extended.

But if the decision by the Security Council is resolute with regard to implementing the Vance Plan, with limits on how long that will take, with guarantees to Croatia that this will be resolved, then it will be possible to talk about extending the mandate for a specific, brief period. Croatia only asks that the United Nations respect its own plan. An extension as was the case in Lebanon, another five months, another six months, that is out of the question. We will not back off from this, and we showed that through Operation Maslenica.

[Novak-Srzic] Zivota Panic alleges that Serbia has missiles with a range of 1,000 km and that in the event of international military intervention he will use them for retaliation against Zagreb, that he will attack Vienna and even Berlin with them.

[Bobetko] I do not know the man, but that is typical quackery. If Panic had missiles like that, he would have long since used them.

[Novak-Srzic] The Muslims have not agreed to the Vance-Owen Plan from Geneva. In this context, what is your assessment of a solution to the military conflict in B-H? Do you believe in limited military intervention by the West?

[Bobetko] As a soldier, I know a little about politics as well. My personal assessment is that right now is the time for intervention if the West is interested in resolving matters, in halting the military conflict. Now is the time to dictate that which the Croats signed in Geneva, to preserve the sovereignty of the state of B-H in an equal relationship among all three of its nations, and to guarantee the inviolability of those borders and the full sovereignty of that state. That is what Croatia supports, but now that solution is not in the hands of the Croatian government or president, but rather in the hands of international organizations and institutions. Without intervention, the war will resume according to the formula of fighting to the last man.

[Novak-Srzic] Is Croatia now militarily strong and prepared even for the worst?

[Bobetko] When they ask me how big our army is, I say that it is as big as the Croatian nation. Because some people will not understand that the Croatian armed forces are an armed team but that the Croatian nation is collectively involved in the struggle and will be united in waging this battle to the end. I tell foreign military attaches who ask me about our armed forces, "You must put this fact in your secret safes." Hundreds and hundreds of people in Zadar immediately reported to me as volunteers. They asked where help was needed, what unit they should join. That is what puzzles the enemy, and certain others in the world as well. They have yet to figure out that this is the strength of Croatia. That is also true of some of our detractors and critics.

[Novak-Srzic] Mr. General, how do you keep up with all these obligations at your age?

[Bobetko] Age is not important. When I accepted this assignment, I became obligated, as I said in Zadar as well, to do what I am doing. I am indebted to the entire nation. Regardless of what job we are talking about. If I have to be a factory watchman tomorrow, then I will guard it properly and honorably. I have no need for what many regard as their positions. I had my own criteria, which correspond to the interests of my nation. I came to the press conference in Zadar after a sleepless night in the basement, but that is nothing when you see the courage of our soldiers and the happiness of people who are being given a way to go home.

[Novak-Srzic] You almost did not agree to this interview.

[Bobetko] I like to do my job, and then you say whether it is OK or not. When I got my assignment from the president, I knew what I had to do and under what conditions. I can only say that in new fighting Croatia cannot make even one false move.

[Novak-Srzic] Journalists compare you to U.S. generals Patton and Schwarzkopf.

[Bobetko] Croatia must take pains to see to it that the Croatian Armed Forces are led by people of moral singularity and high national conscience, and experts. It amazes me how some people write critical pieces on the war while for two and a half years, since the war began, they have not come at least to see a Croatian soldier in the trenches. They have not come close to where the fighting is going on. That is disgraceful. I do not like big words and songs of praise. You have to have the confidence of people, because you give them an assignment. They are going to their death and they must believe in you and know why they are doing that. In the beginning, some people came to us with every conceivable pistol, equipment like in the movies, and those types quickly dropped out.

[Novak-Srzic] What awaits Croatia this spring?

[Bobetko] Most of all, the problem of its borders and the return of its territory must be resolved. Rejuvenating the economy and preserving its unity. There has been criticism in the opposition and elsewhere, as well as in the world press, to the effect that Croatia is being so timid, that it is compromising. First of all you have to know what you can do, not what you would like to do. You have to ask yourself, "If we set out, where are we going, with whom, how long will it take us to get there, what will be the consequences, and are we certain of the results." The most important thing in everything is political unity. Victory can create unity, while defeat is like the temperature in summer when all the bacteria are activated. Moreover, it is necessary to push aside the bureaucrats, get rid of the phonies. Like all bureaucrats, they are well-connected, and have created their own system of accommodation. Croatia now faces a critical time. It is also a critical time for the Croatian Armed Forces, which must be led only by those in whom the Croatian soldier has confidence. Honorable, professional, and capable officers devoted to the homeland and the Croatian nation. Behind me, and not in front of me, that is the rule of every Croatian officer, and thus of me as general too.

Government Appoints New Security Service Chief, Others

LD2002205993 Belgrade TANJUG Domestic Service in Serbo-Croatian 1427 GMT 20 Feb 93

[Text] Ljubljana, 20 Feb (TANJUG)—The Slovene Government has appointed a new head of the so-called Security and Information Service. He is Janez Sirse, formerly minister for tourism and head of the office of Dr. Janez Drnovsek at the time he was a member of the SFRY Presidency.

According to the new Slovene Constitution, the Security and Information Service is subordinated only to the prime minister. Therefore it is believed that Sirse was chosen for this post as "a man who can be trusted."

Mile Setinc, a member of Drnovsek's Liberal Democratic Party, has been appointed director of the Information Office, an institution which was called the Information Ministry in the previous government.

The government has also appointed 13 new state secretaries and so instead of the reduction in the number of ministries the list of state officials has increased.

Kucan Discusses Relations With Italy, War

PM2302115793 Milan IL GIORNALE in Italian 20 Feb 93 p 9

[Interview with Slovenian President Milan Kucan by Marco Ventura in Rome; date not given]

[Text] Rome—An official visit to the Vatican, an informal visit to the Quirinale [president's palace]. "I presented [Pope] John Paul II with a mountaineering stick. I thanked him because the Vatican was the first country in the world to recognize Slovenia. I also invited him to Ljubljana; he accepted, but at least a year will have to elapse. Maybe he will pay a private visit to go walking in the mountains." Milan Kucan, president of tiny Slovenia, is the first head of state from the former Yugoslavia to visit the Holy See. A former "progressive" communist leader, it was he who broke the Yugoslav Communist Party's habit of unanimity and hastened the country's breakup. In Rome he met with President of the Republic Oscar Luigi Scalfaro for 45 minutes, in the presence of Foreign Minister Emilio Colombo. "The renewal of the Treaty of Osimo in economic terms must also be examined," Kucan stated, "within the framework of a definition of relations between Italy and Slovenia based on modern principles and mutual interests, as and when issues arise."

[Ventura] Mr. President, the Italian community in Istria is split in two by the new border between Slovenia and Croatia.

[Kucan] Yes, President Scalfaro put the problem to me. I told him that we are aware of this; that it must be solved, but remembering that Istria is now divided between two sovereign states. That is the basis. It will then be our duty, our interest, and our responsibility to abide by the principle of a high level of legal protection for the Italians in Slovenia.

[Ventura] Croatian President Franjo Tudjman has ruled out any form of unification of Istria.

[Kucan] The area's future must be seen in perspective. When Croatia is no longer at war and the border between Slovenia and Croatia is no longer a frontier between war and peace, it can become a European border like the others.

[Ventura] An open border?

[Kucan] Yes, an open, symbolic border. People who live on one side and the other will no longer feel it to be a real border, a barrier.

[Ventura] Croatia accords fewer rights than you do to the Italian minority....

[Kucan] Protection of the Italians in Slovenia is total in our view, but we cannot influence Croatia's behavior.

[Ventura] Was the subject of compensation for assets lost by Italians under Tito brought up at the Quirinale?

[Kucan] No. Slovenia has acknowledged its responsibilities for that part of the compensation that has not been returned and has corrected 120 files. The commitments laid on us by the Treaty of Osimo have been fulfilled. From a formal viewpoint, the compensation issue in our view is solved.

[Ventura] An Italian-Slovenian mixed commission will also assess past relations between the two countries.

[Kucan] It is a good thing for historians to concern themselves with the past, but not politicians. If we go digging into the past all sorts of things will emerge. Problems always have two sides to them, as with compensation. Minister Colombo also said that it is necessary to concentrate our attention on the future. Scalfaro has undertaken to promote the visit of our prime minister to Rome. The ground is fertile for the negotiations which began Tuesday [16 February] between our two countries, and I hope that Italy will increase its economic, political, and cultural presence in Slovenia to counterbalance the German presence. With Scalfaro and Colombo we also discussed the war. I believe that the international community must outlaw Serbia at all levels and remove President Milosevic's legitimacy. But I am against armed intervention in Bosnia.

Kucan, Peterle View First Official Visit to Vatican

AU2002204193 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 20 Feb 93

[Excerpts] At today's news conference President Milan Kucan and Foreign Minister Lojze Peterle assessed their first official visit to Vatican. Nadja Pengov reports from the news conference:

[Begin recording] [Pengov] President Milan Kucan and Foreign Minister Lojze Peterle gave the highest praise to the talks at the Vatican and explained the fact that the visit passed in not just a formally pleasant but also cordial atmosphere as an expression of special affinity of the Holy See and pope himself toward Slovenia.

President Kucan said that the visit had three purposes. First, it was an opportunity to officially thank the Vatican for its stance during the period in which Slovenia was gaining independence. It was also an opportunity to discuss the basis for the regulation of relations between the church and the Slovene state, including the issue of property. Third, considerable attention in the talks was given to the war on the territory of former Yugoslavia. The positions of Slovenia and Vatican toward this issue are very similar, President Kucan said, particularly on the key reason for the crisis being the manner in which the Serbian national issue is being resolved. [passage omitted]

As it is known, President Kucan invited Pope John Paul II to visit Slovenia.

[Kucan] He replied that he accepts the invitation with pleasure, subject to the possibilities given by the previously agreed international obligations.

[Pengov] President Kucan also met Italian President Luigi Scalfaro in Rome. They discussed the relations between the countries, especially in the context of issues concerning the Osimo Treaty. Namely, as is known, the interstate talks will begin on Tuesday [23 February]. Slovenia's position is that this does not mean the revision of the agreements but the necessary updating of outdated issues. The Slovene position toward the minorities is also known. The principle of an overall protection for the Slovenes in Italy has not been realized.

Italy, however, wishes to make the legal status of the Italian minority in Slovenia and Croatia equal. The issue of the border between Slovenia and Croatia, which is currently more than just symbolic also because it represents a border between peaceful and warring Europe, was raised in this context. Once the situation normalizes it is, of course, everybody's desire that this border actually evolve into a merely symbolic border between the two states. [end recording]

Drnovsek 'Moderately Optimistic' About Coalition

93BA0572A Ljubljana DNEVNIK in Slovene 26 Jan 93 p 4

[Article by M.E.: "'Moderate Optimism'"]

[Text] After the appointment of the ministers, Prime Minister Dr. Janez Drnovsek said yesterday that the government would have a great deal of work as early as the next few days. "Some concrete decisions thus await them, primarily in the economic area. The government has to make a decision on some issues in connection with the rehabilitation of the banking system, and it will be necessary to settle immediately the things that were included as program commitments with respect to the distribution of the social product, i.e., reducing public spending." He expects that several proposals that the new government will decide on will be on the table in a very short time.

And how long a "life" does Dr. Janez Drnovsek project for the new government coalition, since the partners in it are very different? "I hope that the coalition will be stable and that the government will be able to function. Of course, it would be ideal if it functioned for the whole term. That would be beneficial for Slovenia, since during that time it would be possible to complete the economic transformation. Some of the parties that make up the government coalition have not participated in the government in the past, and consequently it is difficult to give any guarantee in advance. I am moderately optimistic, however." With respect to the promises that were heard before the elections, that at the end of 1993 economic indicators would take a turn for the better, Dr. Drnovsek said that the new government would do everything possible to fulfill that promise. The political instability recently has otherwise caused a certain delay, so it will be necessary to intensify the government's work a great deal.

In connection with the possibility that he would also propose two ministers without portfolio during the coming days, Dr. Drnovsek said that he had left that issue aside in the proposal for the basic portion of the government. Now, in cooperation with the partners in the government, he intends to study it again and if necessary also propose a minister without portfolio. Perhaps he will do so at one of the future meetings of the State Assembly.

Federal

U.S. Airdrop Decision Seen as 'Highly Risky'

LD2202191993 Belgrade TANJUG Domestic Service in Serbo-Croatian 1832 GMT 22 Feb 93

[Text] Belgrade, 22 Feb (TANJUG)—The White House has decided to embark soon upon a highly risky and uncertain operation of air-dropping aid to the people of Bosnia-Hercegovina, using U.S. planes.

As TANJUG has learned from well-informed diplomatic sources, the Yugoslav authorities were informed about this decision this afternoon. At the same time, the Americans informed all other interested parties about the decision.

The U.S. decision has been made in line with Security Council resolution 770 adopted on 13 August 1992, which allows UN member states to use "all available means" to secure delivery of humanitarian aid.

Yugoslav diplomatic sources see the White House decision as "a highly risky operation." The planes, from which aid would be parachuted to a narrow strip of land, would have to fly very low. For this reason, they would be vulnerable even to small-arms fire. Any such incident could lead to retaliatory measures, which the Americans hinted at a few days ago. This would precisely mean further American involvement.

TANJUG on UN Debate on War Crimes Tribunal

LD2202230293 Belgrade TANJUG in English 2220 GMT 22 Feb 93

[Report by Jekoslav Radovic]

[Text] New York, Feb 22 (TANJUG)—The international tribunal for crimes committed in the conflicts in former Yugoslavia, which is to be set up under a resolution adopted unanimously by the U.N. Security Council on Monday [22 February], will try crimes committed by all sides to the war in the former six-unit federation.

This is to be inferred from the Monday debate, which was attended by representatives of 12 states. They expressed the conviction that the criminals would be brought to justice regardless of which side they belonged to or where they might be in former Yugoslavia.

The participants in the debate said such a tribunal was a debt the international community owed to the victims of violence and to the principles of justice, and a warning to all those warring elsewhere qn the world that crimes would not go unpunished.

Most of those who took the floor endeavoured to appear objective.

Thus, U.S. Ambassador Madeleine Albright said this (?was not) a court of the victors, as that at Nuremberg in 1945 had been.

Russian Ambassador Yuliy Vorontsov said the resolution reflected the will of the international community to punish all those who had subordinated the fates of hundreds of thousands of people to their personal political ambitions.

The Muslim represenative of Bosnia-Hercegovina to the United Nations and the representative of Croatia—two former Yugoslav republics—asked and were permitted to attend the Security Council session. However, they did not ask to take the floor, probably because the course of the session showed that the resolution applied to the crimes committed by all sides to the conflicts in former Yugoslavia.

Foreign Ministry Protests UN Resolution

LD2202202793 Belgrade TANJUG in English 1952 GMT 22 Feb 93

["Pool" item]

[Text] New York, February 22 (TANJUG)—The new resolution by the United Nations Human Rights Commission is a part of the campaign in which the entire Serbian people is described as the collective culprit for the situation in the war-torn parts of former Yugoslavia, the Foreign Ministry of the Federal Republic of Yugoslavia said in a protest on Monday [22 February].

The protest note, published in the U.N. as an official document, said that by accepting the text of the resolution the commission had degraded itself to a mere instrument for realizing political objectives.

The ministry said that the commission's role as the guard of human rights throughout the world has lost its original value.

Furthermore, the resolution violates the human rights of the Serbian people, said the ministry in the protest.

"A collective condemnation of an entire nation marks a dangerous precedent for the future work of the Human Rights Commission," concluded the Yugoslav ministry.

Official Objects to U.S. Human Rights Report

LD2202202393 Belgrade TANJUG in English 1931 GMT 22 Feb 93

[Text] Belgrade, February 22 (TANJUG)—Federal Minister for Human Rights and Rights of Minorities Dr. Momcilo Grubac on Monday [22 February] received charge d'affaires of the United States (U.S.) Embassy in the Federal Republic of Yugoslavia Herbert Rackmales, and presented to him the objections of the Yugoslav Government to the State Department report on the situation regarding human rights in 1992 for Serbia and Montenegro.

The objections in principle of the Federal Government pertain to criticisms in the U.S. report which were based on a small number of individual cases and assessments of the situation involving human rights given for all of Yugoslavia on the basis of a situation in one part of the country where the state is forced to defend its integrity.

Minister Grubac presented a series of concrete suggestions which would contribute to the quality and objectivity of the report if accepted, as the Federal Government assessed.

Rackmales said that other government and nongovernment organizations had adopted conclusions similar to those of the State Department report. He emphasized the importance of human rights and the rights of minorities and said that this issue would determine the future of relations between the U.S. and Yugoslavia.

Firms Develop Specialized Vehicles

LD2202124693 Belgrade TANJUG in English 1159 GMT 22 Feb 93

[Text] Belgrade, February 22 (TANJUG)—The "IMR" engine factory of Belgrade and the "FAP" car factory of Priboj are soon to enter mass production of two new types of specialized off-road vehicles suitable for commercial and military purposes, "IMR" director Sinisa Andjelic said Monday [22 February].

The models "TARA 4x4" and "FAP 1417B", Andjelic said, are to replace on the Federal Republic of Yugoslavia (F.R.Y.) market the off-road vehicles which had thus far been made in the former Yugoslav republics Slovenia and Bosnia-Hercegovina.

Andjelic believes that the new vehicles would sell well also on the world market, just as soon as the economic embargo against the F.R.Y. was lifted. The main reason for this he sees in the technical advantages and the price, which is between 30 and 50 percent lower compared to the similar vehicles made abroad.

The "TARA 4x4" was made in cooperation with the top military designers. The vehicle is capable of going on all types of terrain, and is adjusted to function under the most severe weather conditions, said Andjelic. It is driven by a four-cylinder 2.5 liter diesel-engine, which enables the speed of up to 105 km/h. Also, [it] is capable of managing gradients of as much a 70 degrees and side inclinations of up to 35 degrees as well as 60cm deep water obstacles.

Andjelic also announced the production of 6 to 8 versions of this model (vehicles equipped for commanding, medical aid, with electronic jamming devices etc.). The buyer would also be in a position to order vehicles with a reinforced body or made of rust-free materials. The "FAP 1417B" vehicle, he added, was developed from serial production commercial use trucks and dump trucks "adjusted" for military purposes.

Apart from the military, the interest in these vehicles was also shown on the Yugoslav market by police, electrical supply and maintenance firms, those in forestry, etc., said Andjelic.

Article Evaluates Aeronautical Industry

AU2202090193 Belgrade POLITIKA in Serbo-Croatian 15 Feb 93 p 7

[Article by Miroslav Lazanski: "Belgrade Will Get a Third Airport"]

[Text] Will the Yugoslav aeronautical industry be the fastest growing branch of industry and accept the challenges of the technological revolution in the next millennium? Serbia and Yugoslavia have a long tradition of aircraft manufacture. In the last 20 years, we have exported more than 150 fighter and training aircraft, spare parts, overhauled foreign aircraft and trained foreign pilots, all of which has brought the state significant foreign currency funds. Should we now remain at the level of what has already been achieved?

The news conference in the aeronautical plant UTVA in Pancevo, was a good opportunity to evaluate the present state of the Yugoslav aeronautical industry, as well as its prospects, and the civil and military aspects of the future manufacture of aircraft in the Federal Republic of Yugoslavia. In any case, the new state will have to determine the development strategy of its aeronautical industry as soon as possible.

We Were There Before the Germans

When, in the early sixties, Yugoslavia sent its firstborn, jet-propelled, training aircraft "Galeb" to the English town of Farnborough [military base and aeronautical research center] to attend an aeronautical exhibition, the plane landed in the Federal Republic of Germany in order to refuel. At the airport, the German workers who refueled it could not believe that this was an aircraft manufactured in Yugoslavia. At the time of course, Germany did not have an aeronautical industry that manufactured military, jet-propelled aircraft. Countries like Spain, Greece, Turkey, and Egypt did not manufacture any kind of aircraft whatsoever. Today, Germany manufactures several types of military jet aircraft in cooperation with the rest of the Western allies, while Turkey, Greece and Egypt are licensed by America to assemble F-16 aircraft. Spain has a modern aeronautical industry, which manufactures the "CASA" series. All of these countries have gone far in the development of their aeronautical industries, and they have all realized that this industry, along with the manufacture of computers, is that "fine" industry around which are concentrated the scientific and technological brains of any nation.

Meanwhile, from 1945 through the sixties and up until the breakup of the former Yugoslavia, we manufactured several hundred types and several thousand aircraft, from simple gliders, piston-engined aircraft, to the supersonic "Orao-2". This did not go unnoticed in the world, so that the prestigious publication AIR INTERNATIONAL wrote: "Not one branch of the Yugoslav industry has grown as remarkably as the aeronautical industry, primarily as regards the manufacture of military aircraft." A second international publication, INTERAVIA, wrote: "The Yugoslav aeronautical industry is slowly climbing to the top of the international tree. The Yugoslavs are quite good at handling compound materials, they have mastered the technique of handling fiber-glass components, the technique of shaping the cockpit hood [kupola], and now they are working on using plastic reinforced with carbon fibers."

UTVA's Potential

The former Yugoslav aeronautical industry employed, directly and indirectly, around 70,000 people. This number has now significantly decreased, but of all branches of the former Yugoslavia's military industry, the aeronautical branch has suffered the least damage in the new state and it stands a good chance of almost painlessly continuing production.

In place of the SOKO plant in Mostar, from which all aircraft that were being built or assembled were evacuated, along with spare parts, compound materials, all machines that could be dismantled, technical and measuring documentation, tools, equipment, (the job was done by the elite 63d Airborne Brigade from Nis), we now have the UTVA plant in Pancevo.

UTVA has already manufactured many components for jet fighter aircraft "Galeb," "Jastreb," "Orao," and the "G-4." Moreover, it has been manufacturing the whole rear part of the "Orao," all the way to the 47th frame [okvir], for Yugoslavia and Romania. For the manufacture of the new, supersonic plane, UTVA built a whole new plant, new assembly halls measuring 86,000 square meters and equipped with the most up-to-date machines in Europe. UTVA embraced new technologies: chemical milling [kemijsko frezanje], gluing metals together, sandwich-constructions [sendvic-konstrukcije], machines with numerical controls. UTVA has been authorized to manufacture various components for Boeing and it cooperates with the Russians on the "Tupoljev-204." The Pancevo plant has the capacity to employ more than 4,000 people. In addition to this, we have the Prva Petoljetka plant (hydraulics, landing gear), the Teleoptik and 21 Maj plants, and several military aeronautical institutes....

UTVA does not have much work at the moment, because money is a problem. Jovo Opsenica, the plant's general manager, said at the news conference that if the state and the army supplied the funds, UTVA would be capable of manufacturing a new series of fighter aircraft in a very short time. For the time being, the Pancevo plant is manufacturing an initial series of unmanned aircraft for tactical surveillance. This new, unmanned aircraft is manufactured out of superlight alloys and plastic materials, so it will be hard to detect by radar. It will be equipped with cameras and various other electronic equipment. UTVA also manufactures a new, piston-engined, training aircraft "Lasta-2", which is in the same class as the "Pilatus" and the "Tucana." All these aircraft are much in demand on the international market. During the past years, UTVA has marketed several hundred piston-engined aircraft "UTVA-75", several types of lightweight aircraft, and now it is testing a new, agricultural aircraft, as well as the superlight aircraft called "Vila."

New G-5 Aircraft

UTVA got the job of overhauling the G-4 aircraft (earlier done by the Zmaj aeronautical institute from Velika Gorica), as well as procuring a contract to manufacture a new series of G-4M aircraft. The first, overhauled "Super Galeb" should be ready by August of this year, while the assembling of the first two G-4M aircraft is in the last stages.

When the state makes a decision to start the manufacture of new G-4M aircraft, a thing it will have to do because the manufacture of "Galeb" and "Jastreb" aircraft has been discontinued, UTVA will have to finish building a new airport situated within its perimeter. They already have a very good grass airstrip, but it has to be paved. This will cost only about $5 million, which is the price of a single G-4 aircraft.

This way, Belgrade would get a third airport and Pancevo, a powerful industrial center and port that does excellent business owing to the nearby duty-free zone, would undoubtedly benefit from the new airport. By investing a relatively small amount of capital (the job of paving the runway would be done by the Engineer Corps), the Yugoslav Air Force would get an airport where it could base its fighter unit comprised of G-4 aircraft, because this is where the planes are overhauled and manufactured. This would take some of the pressure off the Batajnica airport, and it would also increase the airspace for maneuvers, which has shrunk owing to the decrease in size of the state territory. Moreover, it would strengthen the airport linkage [cvoriste] in the north of the country. The runway should be finished by the end of the year.

By manufacturing the G-4M aircraft that should evolve into the G- 5, UTVA would aid the growth of the Yugoslav aeronautical industry (we should not exclude the Orao plant in Sarajevo that is in Serbian hands, the overhaul institute Kosmos, or the Rudi Cajevec plant in Banja Luka). The Belgrade, Serbian and Yugoslav aeronautical industry has the potential to continue the manufacture of the M version of the G-4 aircraft. This M version is characterized by the ability to carry more ammunition, it is equipped with updated electronic equipment, it has the ability to carry "smart" missiles and bombs, and its combat ability is generally better. Since an aircraft is actually the most perfect product of a country's industry, and since a few years ago the prestigious publication AVIATION WEEK AND SPACE TECHNOLOGY wrote that out of 22 future technologies, 19 are in the sphere of the aeronautical industry, we probably do not have much choice.

Outcome of Serbian, FRY Elections Analyzed

93BA0563C Belgrade POLITIKA in Serbo-Croatian 28 Jan 93 p 6

[Article by Milenko Pesic: "'Topcider' as the Strongest Party"]

[Text] If by some chance the elections were being held now, there is every prospect that the Socialists and Serbian Radicals would record a more convincing victory than on 20 December last year. The attack of the Croats on the Serbs in Krajina would have persuaded a still greater number of voters to choose the patriotic forces, runs the bold forecast of the Belgrade sociologist Dr. Zoran Vidojevic.

Hypothetical assertions of this kind actually emphasize a real feeling of threat to the nationality and the state as one of the most important factors affecting the results of the early elections held slightly more than a month ago.

In analyzing the election defeat, the opposition parties have mainly concerned themselves with the question of manipulation of the election procedure and with the influence of government television, which undoubtedly did play its propaganda role. Somehow the other causes which according to many people had a decisive impact on persuading the voters to do what they did on 20 December have been left to one side.

A Coalition of Fear and Hatred

The economic collapse, the blockade, the civil war in Bosnia-Hercegovina [B-H], the day-by-day ruination of the middle social strata have put a large number of citizens into a state of collective fear, Vidojevic observes. "A coalition between that kind of fear, which is nevertheless real, and instrumentalized hatred of the symbols and nationalities which supposedly are responsible for the situation in which we find ourselves is much more powerful than the dependent economic and social position in which a majority of the public finds itself," which is actually Vidojevic's answer to the question of why voters dissatisfied with the situation and the system nevertheless gave their votes to the Socialists and Radicals.

A superficial analysis indicates that an ever greater number of impoverished citizens are dependent upon the government. The party that won the election is the one called the "Topcider money factory." This purchasing of social peace creates the illusion that the government is concerned about its cities, this researcher believes.

Moderate parties have no chance in the face of the increasingly visible stratification of the public into a thin stratum of small property owners and the lumpenrich and an ever increasing number of those who are close to the poverty line. In the assessment of many researchers, in the minds of the public those parties give the impression of indecisive and lukewarm political forces. It is no wonder, then, that parties with a strong ethnic ideology and strong leaders are victorious. As a matter of fact, a sizable portion of the public has the wrong perception that Milosevic and Seselj are guarantors of the survival of the Serbian people and state.

Back last October, the Public Opinion Research Center of the Social Sciences Institute arrived at the coefficient of oppositional orientation in the public. Thus, 52 percent of the respondents supported the patriotic forces, because in some way they were dependent on the system. Only 26 percent of the population polled had an oppositional orientation, and 22 percent were ambivalent, and many of the latter did not vote.

Dissatisfaction Channeled Uncritically

Dr. Dragomir Pantic, a social psychologist who is director of the Social Sciences Institute, calls attention to the fact that in all public opinion surveys done in the past year more than half of the people have been dissatisfied with the system and with the situation in the country. The question that inevitably asks itself is why this dissatisfaction was not manifested in support for the opposition in the election. "Our entire Yugoslav crisis is irrational. So, it is no wonder that dissatisfaction of the public should not be channeled into a critical attitude. Thanks to various manipulative mechanisms, the blame for the situation a large part of the public is in is passed on to neighboring nationalities, but also on the West, and this is taking on the elements and forms of a conspiracy theory," Pantic emphasizes.

Analyzing the factors which decided the presidential election in Serbia, Dragomir Pantic says that Milan Panic had broad, but lukewarm support of the voters, by contrast with Slobodan Milosevic, whose voters were ready to wait a long time in line at polling places and to cast their votes for their candidate.

Milan Panic's campaign can be likened to a meteor which burned up prematurely during the crucial week before the election. At that time, according to surveys of the Social Sciences Institute, the number of those who would have voted for Panic began to drop. "I am quite certain that the television campaign of the Serbian Radicals against the federal prime minister won over the lukewarm supporters of DEPOS [Democratic Movement of Serbia] at the last moment," Pantic says.

The Importance of Television

What still remains an enigma for the researchers is the datum that in Uzice and Nis Panic had more support before the rallies which he held there. "He seems to have frightened his supporters in some way, and he confirmed those who were against him in their commitment," Dragomir Pantic adds.

On behalf of a better understanding of the election results, it should be said that according to all the surveys a majority of the population has recently displayed one of the forms of xenophobia and supports egalitarianism and social conformism. All these factors are anchored in the authoritarian value system of our people. Glorification of the vertical relationship among people, which reproduces obedience and rallying around the leader, are the reason why the Serbian Radical Party [SRS], but also the SPS [Socialist Party of Serbia], have such voter support.

"The Serbian Radical Party does not conceal that it built its success in the election on egalitarianism and anti-intellectualism. In a situation where the quantity of resources is limited, people opt for forcible leveling of wages and salaries. And Seselj is the one who called for the income spread to be 1:3," Dragomir Pantic said.

Aside from these objective circumstances, of course, we also should not forget the subjective shortcomings of the opposition parties. If we omit the SPS, which inherited the apparatus from the LC [League of Communists] and Socialist Alliance, the parties mainly do not have a fully developed organizational network. Srecko Mihajlovic, a researcher of the Social Sciences Institute, recently cited the datum that only one-fourth of the voters in our country identify with a party. The scattering of the opposition, mutual friction, and accusations had the effect, according to many people, that the public nevertheless opted for those who instill more trust as the best custodians of the national interest.

There is no doubt that the electronic media controlled by the government did quite a bit by way of propaganda for the SPS and SRS. This is also shown by an analysis of the content of news programs during the election campaign. But there are those who feel that the small screen was not decisive in swaying the voters. "The opposition overestimated the importance and role of television. Even without that kind of aggressive propaganda, the results would have been at least similar, if not the same," Zoran Vidojevic says.

The recent early election will be the subject of various analyses in scientific circles for a long time yet. What is quite certain now is that the early election on 20 December, in the opinion of Dr. Dragomir Pantic, will be included in world anthologies, precisely because of the atmosphere and various adverse situational factors that occurred at the same time in one place.

Serbia

ICRC To Allocate Monthly Medical Aid

LD2202144993 Belgrade TANJUG in English 1312 GMT 22 Feb 93

[Text] Belgrade, February 22 (TANJUG)—International Committee of the Red Cross (ICRC) will allocate 40,000 Deutsche marks per month to finance a medical aid program for certain parts of the former Yugoslavia, President of the Red Cross of Serbia Dr. Slobodanka Gruden told a press conference in Belgrade on Monday [22 February].

The aid will be distributed through the Red Cross of Serbia to health institutions throughout the republic and also to the republics proclaimed by Serbs on the territory of the former Yugoslavia—the Serb Republic in Bosnia-Hercegovina and the Republic of Serb Krajina.

The necessary medicine and medical supplies will be produced by Yugoslav and foreign companies.

Since this form of aid is not a regular ICRC activity, the program will last only six months after which period it is to be continued by some other international organizations, Dr. Gruden added.

She said the Red Cross of Serbia had registered 457,960 refugees in Serbia—293,000 of them from the war-torn Bosnia-Hercegovina.

During 1992, the Serbian Red Cross received over 100 tonnes of medical supplies from abroad, worth roughly three million dollars.

The aid was sent to medical institutions in [word indistinct] war-ravaged areas of the former Yugoslav republics of Bosnia-Hercegovina and Croatia and to hospitals in Serbia which treat the wounded and ill refugees.

Government Begins Measures To Curb Inflation

LD2302120993 Belgrade TANJUG in English 1103 GMT 23 Feb 93

[Text] Belgrade, February 23 (TANJUG)—The daily inflation rate for the first ten days of February stood at four percent in Yugoslavia, Assistant Federal Trade Minister Branko Gostovic stated to TANJUG on Tuesday [23 February].

According to unofficial estimates, however, the daily inflation in February was even higher and ranged somewhere around nine percent.

The government of the Yugoslav Republic of Serbia on Monday said it would place under control a third of the products vital for the supplying of the population.

It said the measure was primarily aimed at "preventing an out-of-control rise of prices and, at the same time, at preventing a shortage in some vital products."

Serbia's Government said it would correct the prices of a number of products and services which will be placed under control in order to ensure the necessary parity.

The goverment will, on the other hand, implement a programme of stiffening financial discipline and ensuring legality in the area of payments, also with a view to checking inflation.

Serbia's new Prime Minister Nikola Sainovic has said that his government will give priority to reviving production, suppressing hyperinflation, to public works and the stimulating of economic development.

The Government of serbia is expected by the end of the month to announce the measures it means to introduce in order to achieve the set goals.

The Belgrade daily POLITIKA EKSPRES on Tuesday quoted its sources in Serbia's Government as saying that a partial freezing of prices would shortly be followed by the freezing of salaries.

Yugoslavia last year had the highest annual inflation rate in the world, one of 19,810 percent.

Serbian Objections to 10 Bosnian Provinces

93BA0544D Belgrade POLITIKA in Serbo-Croatian 22 Jan 93 p 9

[Article by Blagoje Komljenovic: "More Than Half of the Serbs Outside the Serbian Provinces"]

[Text] The decision at Pale offers relief and hope that the negotiations about the future arrangement of the former Bosnia-Hercegovina [B-H] will take place in a peaceful atmosphere; however, the Serbian deputies have spoken with much bitterness about the maps offered by cochairmen Vance and Owen concerning the demarcation of the 10 ethnic provinces. The drawing of those cantons, in which there will be the greatest concentration of power according to the constitutional principles adopted, viewed from the economic aspect, will make the Serbian regions, already deliberately impoverished for decades, still poorer in the new composite state.

According to the land records, individuals of Serbian nationality own 63 percent of the area of the former central republic. There is no legal basis, certainly not political pressure, which can drive them against their will to concede their land to someone or to forcibly move them from one province to another.

Scattering the Serbian Nationality Among Opstinas

The premature recognition of Bosnia-Hercegovina as a sovereign state unfortunately ignited a civil and ethnic war which has been blazing for more than nine months now. There is a well-founded fear that now the hastily drawn maps, when the principles were not agreed on and reconciled in advance among all three constituent nationalities, could drag out indefinitely the peace processes, the blockade, and the suffering of people who have already been made wretched. If the desire is to arrive at peace by applying the rules of fairness—which everyone pledges—then the second most numerous nationality, with dominant ownership of the land, cannot be offered only 18 percent of the total value of the social wealth of the former B-H.

The opstina boundaries, although not consistently, and the last population census (31 March 1991) were obviously the criteria taken as points of departure by the authors of the maps presented of the 10 provinces. Without any reflection at all, the Croats immediately granted consent to the mapmakers' offer. How could they otherwise, when they received the contours of the present Croatian banovina they wanted, even more than that in the Sava Valley and central Bosnia? The rivers were always the natural borders in those regions: the Sava and the Una the borders with Croatia, the Drina with Serbia, while the Neretva divided karstic Hercegovina into eastern (Serbian) and western (Croatian) parts. The largest Croatian province, however, according to the designers of the maps, has taken not only the entire Neretva and all five hydroelectric power plants on it, but also the entire fertile Popovo Polje along with Stolac Opstina and parts of Trebinje and Nevesinje, as well as the communes Konjic and Jablanica with a predominant Muslim majority.

On the north, the Croatian canton has also created still greater confusion and suspicion as to the mapmakers' good intentions. Six opstinas in the Sava Valley (Orasje, Odzak, Samac, Brod, Derventa, and Modrica) and parts of three others (Brcko, Gradacac, and Doboj) are supposed to make up Province No. 3, which is really an artificial creation and a barrier set up between the Serbian entities of Semberija and Krajina. The line of argument does not justify this intention of the peacemakers in Geneva. In only two opstinas (Orasje and Odzak) do the Croats have a majority, while the Serbs have a majority in the other opstinas (Samac, Brod, Derventa, and Modrica).

Strange as it may seem, in Birac, which is Serbian, they used some different yardsticks, and Sekovici Opstina, with only 9,600 inhabitants, has been drawn in as a separate oasis in Province No. 6, which is cut into no fewer than three pieces. And the Serbs from that same Birac, 11,500 of them in Bratunac, 9,500 in Srebrenica, 31,000 in Zvornik, 7,700 in Kalesija, 3,800 in Kladanj, and 3,500 in Zivinice—on the maps of Vance and Owen—are supposed to live in Muslim Canton No. 5.

In Ozren, unfortunately, the situation is still uglier. On the slopes of this mountain in central Bosnia, there are about 100,000 Serbs, but they do not have any opstina "of their own," and they are therefore fragmented among the Muslim communes Tesanj, Maglaj, Gradacac, Gracanica, Zavidovici, Banovici, Lukavac....

Vipers, Sheep, and Peppers

The deceptively largest space of the former B-H intended for the Serbian provinces has not only been cut up, but it is also the poorest in material resources. The quality of each territory is measured by the value of industrial plants, the wealth of natural resources, the level of development of the infrastructure, and well-roundedness. In the cantons intended on the maps for the Serbs, for instance, there are no lead, zinc, iron, bauxite, salt, or brown coal mines, nor refineries, chemical industry, or integrally developed transportation routes.

Eng. Rajko Dukic, chairman of the Executive Committee of the SDS [Serbian Democratic Party], is issuing a timely warning that if the proposed provinces are created, then the Serbs would be raising vipers in Hercegovina, sheep on Romanija, peppers in Semberija, while Krajina might be proclaimed an "environmental state."

As the oldest, most numerous nationality, which has always been a constituent nationality of the state, the Serbs are scattered over the entire territory of the former Bosnia-Hercegovina. That was, of course, the whole problem for the designers of the map of the new composite state. With their idea of cantonization, they have committed injustices against the Serbian population not only in material impoverishment and cutting up their living space, but also in leaving more than half of the population in "someone else's" provinces. Thus, the general maps of Vance and Owen group 66 percent of the Muslims in "their" cantons, 62 percent of the Croats in theirs, and 48 percent of the Serbs in their own provinces.

Finally, of the five largest industrial centers (Sarajevo, Banja Luka, Tuzla, Zenica, and Mostar), in only two does one nationality have a majority—the Serbs in Banja Luka and the Muslims in Zenica. What is more, in Mostar, the capital of Herceg-Bosnia, there are more Muslims than Croats.

Many facts indicate that it will be an extremely difficult and complicated job to draw definitive borders between the provinces. What is more, the democratic road to their verification must include a verification of the will of the people as to where and with whom they want to live. Consensus should, of course, have been applied when the proposals were drawn up, not only in a case of changes of this imposed Geneva version of a future cantonization and changes of the former Bosnia-Hercegovina from a unitary state to a composite state.

Data on Economic Crime in Republic

93BA0563B Belgrade POLITIKA in Serbo-Croatian 28 Jan 93 pp 1, 16

[Article by Lj. Cudomirovic: "Crime Is Everywhere in the Economy"]

[Text] "The present situation with the level of crime in the handling of materials and finances in the business operation of all firms is threatening to jeopardize the constitutional order of the Republic of Serbia, and it can all be described most briefly by saying that crime is everywhere and has embraced all forms of ownership," was the most important and tersest statement of Dragomir Curcic, who recently became the new director of the Serbian Agency for Settlement, who in yesterday's press conference presented the results of the extensive check which his experts have run this year.

Along with this statement, Curcic said that because of everything that has been happening the state of Serbia has never experienced such stratification as has been occurring lately and that it is not motivated by work, but above all by crime.

"That is why every one of the numerous agencies responsible for looking into the handling of materials and finances, settlement transactions and other financial transactions, as well as law enforcement agencies and legislative bodies, must inevitably realize that what is happening at the moment in Serbia must in the future be a movement, not merely an ad hoc action that would bring only certain culprits to the surface of public notice. We will continue to strive in the future, within the limits of our jurisdiction, which are divided as far as the public is concerned and, one would say, modest, to do our job altogether properly and as a final outcome let the public know who the thieves are in this country," Dragomir Curcic said at the conclusion of yesterday's extensive report, in which he fully documented his assertion as to what is going on and who at what time has been violating the regulations.

In short, from what we heard yesterday, violation of the law has become the rule, not an isolated case or aberration. Moreover, in what previously was the SDK [Social Accounting Service], i.e., today's agency for conducting and monitoring settlement transactions, there are now only 330 inspectors, who in view of the number of firms and the number of financial plans, are truly unable to record all the evasions of the law, much less turnover irregularities in good time to the competent judicial authorities.

It follows from everything that was reported yesterday that it is not unusual for many juridical persons, more precisely—about 27,000 of them, to prefer to pay even a much higher penalty than to promptly submit the relevant papers to financial and other inspectors for examination. At one and the same time explaining this situation and in a way justifying business entities, the general director of the Serbian Agency for Settlement and Financial Oversight said that many statutes of the former SFRY are no longer in force. The Republic of Serbia has been forced to intervene in various situations and adopt some kind of special statutes to provide some kind of regulation of business life and financial and economic activity.

To illustrate what we might call the legislative-legal confusion that occurred at the termination of one state and the commencement of another, Curcic gave as an example the National Bank of Yugoslavia, which by issuing operating licenses to mixed banks often overlook the fact that they did not have the necessary papers required under the provisions of the bank law. For example, Curcic said, many banks were established even without having paid dinar funds into a special account with the SDK or the competent authorities, nor did they promptly pay foreign exchange into the special accounts with the National Bank of Yugoslavia.

Further, he said, they were entered in the court register under the general classification "so-called savings and loan organizations" as legal entities whose business operation was not fully and clearly regulated from the formal and legal standpoint even in the earlier statutes.

Afterward, those same institutions with their high-sounding names began to engage even in currency exchange transactions, not to mention settlement transactions.

According to him, the monitoring done by the Agency for Settlement Transactions last year established a large number of violations of legal statutes. Most important was evasion of the turnover tax, which occurred, according to their figures, in about 77 percent of the cases investigated.

All the wealth which you see on the street and which you have heard about mainly comes from unpaid turnover tax, Dragomir Curcic concluded, insisting that all of this had perhaps been made possible, though unwittingly, by the government.

"In the fight against the higher crime rate and violations in the handling of materials and finances and in efforts to prevent violations of the law, we expect all institutions to really be on the same wavelength with all the government institutions concerned about the stability of the constitutional order," Curcic said at the end of yesterday's meeting.

[Box, p 16]

Student Cooperatives as Money-Laundering Service

A check into the business operation of 318 youth and university student cooperatives showed that they are often used to "launder" money and evade tax obligations, Curcic said.

A large number of those cooperatives were established to realize a profit, not to make it possible for unemployed young people and students to earn occasional income. Many of those cooperatives include in their membership juridical persons and also businessmen, which is contrary to the provisions of the law, and at the same time they do not even have membership rolls. Also, in many of those cooperatives records on cash transactions are incorrect, and the disposition of cash through the cashier's office is not recorded.

Because youth cooperatives enjoy tax exemptions both on profit they realize and also on payments to cooperative members, various abuses are made possible by this kind of business operation.

Operation of Metallurgical Firm Under Embargo

93BA0548A Belgrade BORBA in Serbo-Croatian
25 Jan 93 p 15

[Interview with Dusan Matkovic, general director of Sartid-1913, by Dara Vucinic; place and date not given: "I Would Never Exchange This Chair for a Minister's"]

[Text] *When Dusan Matkovic, in response to a question about whether he would ever go back to a minister's chair again from his director's chair, at the same moment and without a second's hesitation almost shouts "Never!", a person cannot help sincerely believing him—just as he cannot help experiencing a slight shock when he hears this; "Why should I leave the best and most promising Serbian factory?!"*

Graduate economist Dusan Matkovic says precisely that. He is also the general director of Sartid-1913. Let us recall that this "ferrous metallurgy firm" is only the new name for the old Smederevo Metallurgical Combine. But who does not know yet that for decades many people, experts and nonexperts, the broader public and "narrower" specialists, economists, and others, claimed that the Smederevo steelworks was one of the biggest investment mistakes of Serbia and Yugoslavia, and a constant loss-producer for many years, a favorite of the Serbian state, but also a gravedigger for a considerable part of its economy.

Then why it is suddenly the best and most promising Serbian factory?

"When I got down to the bottom of everything during the year that I have been at the head of the enterprise," director Matkovic said, "I was actually surprised by something else: How was it even possible, in the kind of political situation that prevailed in the former Yugoslavia for decades, for Serbia to get such a high-quality and promising factory? How is it that it was not grabbed by others? That is why I am now, in a really expert and competent way, putting all those assertions about a failed and excessively costly investment, etc., into the context of failed and cheap stories. Even British Steel experts said that this steelworks was at the very peak of European steelworks and that it was far better than all the Yugoslav ones.

"The only mistake was that it took too long to build, and so that led to its high cost. The factory and the state will be very quickly repaid for this, however, 'as soon as the war is over and the sanctions are lifted.'"

Dusan Matkovic supported this claim with last year's business performance. He said that it was the worst year in the history of this enterprise and of the Serbian economy in general, but in spite of this there was almost record production, in terms of both amounts and product range, as well as quality. During the first five months, up to 90,000-95,000 tons of rolled products were achieved per month. The maximum was about 100,000 tons.

We did not succeed in finding out what exactly the financial performance was. Matkovic emphasized that most of the firm's 14 members operated favorably and this alone was more than enough, especially since they worked "according to the laws of the market economy," and since even in such a difficult year as 1992, mere survival and staying on one's feet can be considered a real achievement.

"And Serbian metallurgists have also done far more than that. They succeeded in increasing the quantity, quality, and product range of their production; preserving certain supply and production processes that were very vital both for them and for the Serbian economy; replacing some imported materials with domestic ones; and in fulfilling many strategic and completely new programs. Is that really very little?" Matkovic asked.

The unjust sanctions cost them a great deal, Matkovic said, but he immediately added that he was satisfied that the predictions of some domestic experts and EC experts, that under them the Smederevo steelworks could hold out "until 15 June at the latest," had not been fulfilled.

Why was the Combine unable to achieve at least part of those results before the latest war, and could it have done so now if not for the state of war in which no questions are asked about the price for these products?

"In the first place," Matkovic said, "the Combine was only completed as an investment a year ago. Up until then, so to speak, everything was emerging and was oriented toward the state, to which it is now repaying what it invested in it. That is as it should be. As far as our prices are concerned, the state has placed controls on them. And for the first time since this factory has existed, since prices are depressed, our goods are cheaper on the domestic market than in exports. We lost about $20 million last year for that reason alone."

[Vucinic] Would the quality of your products, if they could reach Europe, meet current European standards?

[Matkovic] That is the real question, because it is precisely because of the answer to that, among other things, that I am most proud of what I am doing at this factory. Thus, I can boldly say that the quality is first-rate. All 15 or so of the directors of the most significant firms in the Serbian metallurgical complex, from whom we requested an opinion of all the programs that we put into operation last year, admitted this to us. For example, for Kragujevac's Zastava, Ikarus, and others we started producing all the finest sheet metal for the bodies of automobiles and other machines, which was previously 100-percent imported. And everyone was satisfied with it.

We reminded Matkovic that it was precisely in our newspaper the other day that some experts from Zastava claimed something contrary to that: "The production of automobiles is uncertain, because the Smederevo Steelworks did not start producing suitable sheet metal for the stamped parts for the roof, floors, and sides, nor is it possible to do so on the basis of the existing technology."

The director of the Smederevo combine shook his head. "We produced everything," he said, "exactly as the people in Kragujevac and the others requested it." The problem allegedly lies in something else: "We counted on shipping 4,000-5,000 tons of products a month to Micic's Zastava, but we are only shipping them scarcely several hundred tons, even though last year we completely substituted for imports for their special-purpose production factory alone. The same thing is true of Ikarus. We are doing what we have never done: for instance, the finest P-5 steel, and the finest tinplate, and some microalloyed steels, and steels for butane bottles, etc. In any more normal conditions, however, the metal complex would have to buy at least 40,000-50,000 tons of products a month from us, but it is ordering 10 times less.

[Vucinic] Is it for that reason that there is a danger of the dismissal of Sartid's workers, since there are as many as 12,000 of them?

[Matkovic] One thing is certain—we will seek the last reserve in any surplus workers whom we would dismiss. A certain optimum at the steelworks itself is about 7,000 people. We have about 6,500 here. Even if there were more of them, however, we would not dismiss them, but instead try to find new jobs for all of them through new factories and new programs. This is because, you see, the costs of gross personal incomes is 6-7 percent of the total income, so we would not profit much by a drastic reduction in personal incomes, and we would lose the personnel.

Matkovic emphasized with pride that in contrast to other collectives, not a single expert had gone anywhere from this one. "Perhaps," he said, "this is because our trade union insists that all those who represent the motive force of present and future development be paid well. Perhaps it is also partly because we have agreed that there will not be any kind of politics here. Whoever wants that has to leave."

Matkovic responded with slight dissatisfaction to a question about whether it could happen that they would fare worse if and when the country opened itself up to the world, when the war environment passed, and the economy returned to normal.

"Only those who are not familiar with the situation can ask that. Here are a few arguments. Three months before the sanctions, production at our enterprise represented a record in its history. Under the sanctions, it was almost cut in half. I am certain that we would have a record again 45 days after the lifting of the sanctions. After all, one should not forget that it was precisely because of the quality of our products that the Slovenes are already asking to establish cooperation with us when the embargo is over. Italians, South Africans, and some other foreign businessmen have also had to 'freeze,' but not forget, similar offers. An open world is our outlook and our dream.

[Box, p 15]

Whom We Should Sell To

Matkovic does not conceal the fact that under the sanctions his Sartid could not hold out, for instance, for another six months. Even if it could, it would not have anyone to sell its goods to. "The customers do not have anything to pay with." The only thing worse than this would be the completely hermetic closing of Serbia and

Yugoslavia that has been constantly threatened and that they have already been working on, by God, for exactly eight months. Consequently, Matkovic says, politicians have to "invest the maximum effort, intelligence, and political and statesmanlike wisdom to avoid a tightening of the circle, and to have the process of relaxation of the sanctions start as soon as possible. That depends exclusively upon them. The economy does not have anything to do with it."

[Box, p 15]

The MKS's [Smederevo Metallurgical Combine] Debts Have Mostly Been Remedied

At the beginning of last year, the Smederevo metallurgists' debt amounted to $1.350 billion. Today its net amount is $510 million. How? The state, through restructuring and other means, took over the repayment of $170 million, Matkovic emphasized. The enterprise only settled the rest through early repayments, purchases, and in other similar ways.

[Box, p 15]

The People in Sapac Want "To Be Left Alone"

Of the more important metallurgical producers in Serbia, only the Tinplate Factory in Sapac is not consenting to merging with Sartid-1913, at least for the time being. Director Matkovic thinks that this is harmful for it. He also thinks, however, that it is a "terrible mistake by Serbia," because Serbia and Indonesia are the only countries in the entire world in which "tin plate is produced outside a cold rolling mill." Economically, it is completely senseless, expensive, and inefficient. It is thus to be expected that this allegedly political decision will soon be changed willy-nilly.

Beogradska Banka Director on Dollars Abroad

93BA0544B Belgrade POLITIKA in Serbo-Croatian 23 Jan 93 p 11

[Article by Radovan Lazarevic: "$43 Million Abroad"]

[Text] Beogradska Banka [Bank of Belgrade], as the administrator of the loan for economic development of Serbia, has by a coincidence of circumstances found itself in a situation that is a bit absurd: It is unable to pay to the public $7.5 million by way of foreign exchange subscriptions for the loan although it has all of $34 million of the loan in several foreign banks. That money has not been taken away, it continues to earn income through various financial transactions, but the sanctions against Yugoslavia prevent its being brought into the country.

The individuals are, of course, most interested when they will finally get their interest. But attention is also aroused by the question: Why is $43 million of the loan abroad when it is well-known that the purpose of the loan, as its name states for that matter, is to stimulate the economic development of Serbia?

Foreign Exchange in Frankfurt, Vienna, London...

"About $23 million of the loan has so far not been put to use at all," says Vojislav Guzina, executive director of Beogradska Banka. "So that that money would not be out of circulation and thus unable to earn income, it was placed in time deposits in several banks abroad, for instance, in the IHB in Frankfurt, Adrija Bank in Vienna, Anglo YU LTD in London,, BB [Beogradska Banka] DD [joint stock company] in New York, and BB DD on Cyprus. Because payments of a number of loans already granted have arrived in the meantime, foreign exchange was also purchased on the market for those dinars and placed in time deposits abroad. That is how the sum of $43 million of the loan has come to be in banks abroad at this moment."

Guzina sees no basis whatsoever for all the speculation about the foreign exchange of the loan supposedly being used to purchase weapons, to finance the election, and all manner of other things that have nothing whatsoever to do with the loan's main purpose. He says that that money has been placed outside the country for an extremely simple reason: In the last two years, economic activity and investments in Serbia have dropped off so drastically that there simply were no programs which that money might possibly have been spent on. As an illustration, he cites the datum that investments have dropped to only one-fifth of what they were. As soon as investment activity revives in the country, as soon as the economy takes a turn for the better, he says, that money will be returned to the country and will be invested in programs that meet the prescribed criteria. Of course, the blockade must first be lifted.

There has also been quite a bit of speculation about the fate of programs financed with the resources of the loan. Guzina says that everything is aboveboard here, that very specific figures indicate that there have been almost no real failures. Of the 81 programs so far financed with credit, 55 are already under production or just about to be put into production, seven have been approved in recent months and still have to prove their validity, and only 11 are in some doubt. In those firms, they are thinking seriously about backing off the project for good or at least temporarily, not because it does not have promise, but because under the conditions of the blockade it is not possible to import the equipment and components from abroad, without which these programs simply cannot be completed.

The Real Trials Are Yet To Come

Guzina believes that the real trials for the loan are perhaps still in the future. First of all, because of the increasingly difficult conditions for carrying on economic activity, he says, the firms which have been financed with this credit may be put in a situation where they simply cannot repay the loen. But if in such situations the bills should be paid by commercial banks as the principal guarantors, no one knows who will pay the bills if this kind of wild activity continues on the foreign exchange market. That is, Guzina explains, recipients of the foreign exchange part of the loan were granted the credits in dinars that originated in the foreign exchange, at the official rate in effect at the time. The firms granted the credit repay the loan in the same manner, and the bank, as administrator of the loan, is supposed to purchase foreign exchange for those dinars and return it to the public and lenders. Both the principal, of course, and interest. The trouble, however, Guzina cautions, is that with every passing day the difference between the official rate and the exchange rate on the market is increasing, and if that persists, the amount of dinars collected will not be enough to buy the necessary foreign exchange. Without help from the republic, neither Beogradska Banka nor any other bank will be able to resolve this question, he says.

As we said, by a coincidence of circumstances those who subscribe to the loan in foreign exchange will have to wait awhile for payment of their annual interest. But they will still get everything to which they are entitled and there certainly will not be any sizable loss, Guzina says. However, that cannot be said of those who subscribe to the loan in dinars. Even now they can count on not getting the money which they perhaps expected. The immensely high inflation is persistently devaluing it. The dinar resources of the loan are by law loaned out at discount rates, which are quite a bit below the rate of inflation. And when the moment comes to return that money, unless there is an intervention by the republic to that effect, the public will suffer quite a loss. Even if the republic does intervene, Guzina says, it is unrealistic to expect that the money will have been preserved in real terms.

Finally, a news item important to our workers abroad, who are mainly the ones who subscribe to the loan with foreign exchange. Because of the blockade, they cannot withdraw the annual interest abroad, but only within the country. However, they can authorize someone to withdraw that money for them.

Macedonia

Albanian Party Meeting With Ozal 'Prevented'

AU2102155393 Tirana ATA in English 1307 GMT 21 Feb 93

[Text] Tirana, February 21 (ATA)—The newspaper RILINDJA of Kosovo reports that the meeting of the representative of the Party of Democratic Prosperity with the Turkish delegation that visited Macedonia recently was envisaged to take place on Thursday [18 February] at 2320. But this was not realised because it was prevented by the Macedonian party [as received]. As the delegation of the Party of the Democratic Prosperity made up of Sami Ibrahimi, Arif Vinca, and Mitat Emini said this caused indignation and they have asked explanations from the cabinet of the Chairman Gligorov.

Ethnic Greeks Demand Minority Rights in Macedonia

NC1902193493 Athens ATHENS NEWS in English 19 Feb 93 p 2

[Text] The Organization of the Ethnic Greek Minority of Skopje, representing the 250,000 Greeks who live there lodged a demarche yesterday, asking from the U.N., the European Community the CSCE and the Council of Europe, to recognize and safeguard their rights and liberties.

The Greeks living in Skopje say that they are oppressed by the Skopjean regime and demand the right to bear their Greek surnames, to use the Greek language and to teach Greek to their children in school.

Montenegro

Data on Illegal Arms Possession

93BA0557H Belgrade BORBA in Serbo-Croatian 26 Jan 93 p 28

[Article by C. Mudresa: "One Out of Three Packing a Pistol"]

[Text] One out of every 10 of the approximately 620,000 inhabitants of Montenegro possesses a license for a firearm. According to the figures of the Republic MUP [Ministry of Internal Affairs], nearly 64,000 permits have so far been issued to carry personal and hunting weapons. Most inhabitants of Montenegro received a permit to carry weapons on "grounds of protecting personal safety," but about 22,000 permits are for hunting rifles and carbines.

Those who are better informed, however, say that there are two- to threefold more weapons than that in Montenegro, and, of course, they were procured illegally. In this version, one out of every three Montenegrins is packing a pistol in his belt. Many have hung up a carbine or rifle from a nail in their house. This assertion is backed up by the bursts of gunfire that ring out on holidays, on Sundays, at weddings. But as for the use of weapons, they say in the Montenegrin MUP that weapons are usually resorted to by those who do not have a license, and the incidents frequently result in wounds and even murder.

"The uncontrolled arming of the citizens of Montenegro has unfortunately resulted in escalation of the tragedies which have been occurring more and more in places where they did not occur until recently, in the schools or schoolyards," Branko Kaludjerovic, chief of the Crime Control Administration of the Montenegro MUP, says.

"Our people have traditionally had many weapons, but with the intense armament in recent years we have had altogether new forms of crime. This applies above all to the emergence of political terrorism, blackmail, extortion, robbery, theft, or, better put—looting. All of this is serious, it faces us with a big job of taking away illegally obtained weapons when they have been well-hidden and when they are in the immediate vicinity of the battlefield, which is where they came from, which is no secret," Kaludjerovic says.

The new Law on Firearms, which the deputies of the republic parliament adopted on 15 July of last year, has also contributed to the greater arming of the population. That is, it took away from authorities of the MUP the discretionary right to decide themselves on the justifiability of a citizen's application for a permit to buy a weapon. Under that law, a permit must be issued to anyone who applies for it, unless, of course, this is a person suspected of a crime or against whom proceedings are being conducted, as well as persons against whom punitive measures have been pronounced in the last three years for violations of public peace and order.

The new Law on Firearms, which liberalizes the arming of the public, and that at a time, as the sociologists say, of increasing aggression, passion, poverty, when the battlefield is nearby, and when nationalism is rampant, has been the target of serious criticism. Most of the critics say that the weapons must immediately be taken away from individuals who do not need them, because the police and others should take care of their safety, and left only to those who really need them. That is, authorities of the MUP would be the only ones judging who needs weapons. However, there are also those who say that the purchase of a weapon is a personal right, and in the countries of Europe and the United States this is taken as a "normal commercial transaction."

Be that as it may, the increasing number of victims of illegal firearms resorted to in Montenegro is seriously warning that something should nevertheless be done.

High Cost, Shortage of Drugs Viewed

93BA0557I Belgrade BORBA in Serbo-Croatian 26 Jan 93 p 28

[Article by TANJUG: "Suffering From the Illness of Prices"]

[Text] While socially owned pharmacies in Montenegro are short of many drugs, in private pharmacies there is hardly anything they do not have. They have almost all types of medicine, but those who need them must pay "dearly."

In the Radovic Private Pharmacy in Podgorica, for example, just before New Year's, the drug Indomentacin cost about 6,000 dinars, and then just a few days later it reached the astronomical price of all of 30,000 dinars.

The explanation of the pharmacist employed in that private pharmacy is that drug prices are set according to the exchange rate of the German mark. However, it seems that in the hands of private operators, not just pharmacy owners, but others as well, the German mark is rising much more and faster than with the street money changers.

The truth, by all appearances, lies in the monopoly of the private pharmacists. It is not precluded that they are also being favored by the government wholesale drug houses, that is, that personal ties and interests are "channeling" the drugs right into the private pharmacies instead of the socially owned pharmacies. Especially because certain newly established firms for pharmaceutical supply, which have the characteristics of government firms, seem to be operating more as semiprivate firms.

Much the same is true of dental offices. Services in government dental clinics and polyclinics in Podgorica have been reduced to the minimum, only when there is no other way. But complete treatment can be obtained from private dentists—from the pulling of a tooth (with anesthetic, of course) to all kinds of repairs, but the price, of course, is high. When they are wearing their "government" white smock, the dentists say that they do not have materials even for injection for toothache and thus they send their patients away, but when they put on their private smock, they have everything, and they can do everything.

Republic's Reservists Dodging Draft

93BA0572C Ljubljana DELO in Slovene 26 Jan 93 p 10

[CINA article: "Montenegrins Sick of War and Killing"]

[Text] Podgorica, 24 Jan—Montenegrins are sick of war and killing. This could be concluded from the recent mobilization of reservists in Montenegro, to which recruits mostly did not respond. The military authorities concealed this from the public, and Col. Miodrag Miladinovic, commander of part of the military units on the border with Croatia in the Kotor Bay, was the first to speak about it a few days ago. In an interview for Radio Hercegnovi, Miladinovic admitted that most of the reservists from Hercegnovi, Tivat, and several other areas had not responded to the draft. During the interview he even cited several names, and threatened all of them with legal prosecution. The poor response by reservists in the Kotor area, and especially in Hercegnovi, is surprising, if we take into account the fact that in this area in 1991, most people supported the war with Croatia.

Kosovo

Serbian Police Stop Swiss Humanitarian Aid Truck

AU2102143893 Tirana ATA in English 0915 GMT 21 Feb 93

[Text] Tirana, February 21 (ATA)—A Swiss association which gives aid in case of catastrophes in the world sent a truck with humanitarian aid for the Albanian population in Pristina. But the truck carrying 20,100 kg of Swiss cheese worth 201,600 francs, was stopped by Serbian police in Nis, Wilhelm von Blon, who was accompanying the truck, said. From Nis, under police observation, the truck had to park in front of a police station in Pristina and then sent to the customs' house. The officials there say that they have to control the truck thoroughly, that is why it has to stay there for some time.

Kosovo Albanian Leader Discusses Rugova Plan

LD1902145393 Belgrade TANJUG Domestic Service in Serbo-Croatian 1230 GMT 19 Feb 93

[Text] Pristina, 19 Feb (TANJUG)—Ismail Rexhepi [name as received], a member of the Presidium of the Democratic Alliance of Kosovo [Demokratski savez Kosova - DSK], stated that "the world increasingly respects the right of Albanians to self-determination and welcomes a 10-point peace plan presented by [Ibrahim] Rugova."

Rexhepi backed this statement made at a news conference held today, with "interest expressed for Rugova's visit to America," and "the results of talks a DSK delegation had with Turkish President Turgut Ozal in Skopje."

Talking about the resumed talks about education with Serbian and Yugoslav authorities, Rexhepi said "there is no place for optimism, because the Serbian Government is not abandoning its concept of a single education system."

According to Rexhepi, "the situation in Kosovo is extremely tense," due to what he called "police repression and the drive to collect arms from Albanians."

Rexhepi cited the custom controls of a DSK delegation, as it was leaving for talks with the Turkish president in Skopje, as an instance of "crude police interference in party activity."

Nepun Peasants Resist Serbian Police Evictions

AU1902152893 Tirana ATA in English 1310 GMT 19 Feb 93

[Text] Tirana, February 19 (ATA)—After the efforts of the Serbian police to take the peasants out of their houses and to arrest them in the village of Nepun in Peje, there were dramatic moments in that village. The peasants resisted and did not allow the police forces to arrest innocent people. Forty other policemen reached the village and opened fire. According to the latest reports from Pristina, there were no casualties or wounded.

The peasants continued their resistance. The Serbian police have withdrawn and are supposed to have been installed in the vicinity of the village. The Serbian police prevented the CSCE representatives from going into that village. According to the admissions of some leaders and activists of the Democratic League of Kosovo, who could enter the village, the situation there is still tense.

Kosovo Party Assails Serb Police 'Repression'

LD2202220993 Zagreb Radio Croatia Network in Serbo-Croatian 2100 GMT 22 Feb 93

[Text] The Democratic Alliance of Kosovo [Demokratski Savez Kosova—DSK] stresses in its capacity as the largest party rallying Kosovo Albanians that Serbian police repression of innocent Albanians is assuming proportions of state terror and has reached its peak. It therefore demands that violence be halted, because otherwise the Albanian population will be forced to organize its self-defense, as has happened in the Kosovo village of Jablanica.

The DSK says that the Serbian police have recently been resorting to repression under the pretext of searching for arms. This form of terror is most prominent in villages near the Albanian border, mainly in the Djakovo, Pec, and Decani municipalities, but it is also spreading throughout Kosovo.

According to the Kosovo Committee for the Protection of Human Rights and Liberties, almost 800 Albanians from these three Kosovo municipalities have been detained and maltreated last month and this. The police are threatening to burn Albanian villages, unless people hand over arms.

Hence, the DSK is appealing to the international community to halt the Serbian repression, in order to prevent an armed conflict from erupting in Kosovo, where the situation is very tense.

Council Urges End to Serb 'Violence and Terror'

AU2302115093 Tirana ATA in English 1127 GMT 23 Feb 93

[Text] Tirana, February 23 (ATA)—In January and the first two weeks of February in the communes of Peja, Decan and Djakova, 800 Albanians have been beaten and maltreated by the Serbian police under the pretext of searching for weapons, the Pristina based Council for the Defence of Human Rights and Freedoms has learned. The seizing of the Albanian houses, raids and arrests have been numerous. The Geneva UN Human Rights Commission has been informed about this situation.

The Pristina based Council for the Defence of Human Rights and Freedoms addressed a report to the international public that they raise their voice against this savage and dangerous campaign of violence and terror and find a correct and peaceful solution to the Albanian question.

Vojvodina

VMDK Urges Dialogue With New Serb Government

LD1802205893 Budapest Kossuth Radio Network in Hungarian 1700 GMT 18 Feb 93

[Report by Jozsef Klemm from Novi Sad]

[Text] The Democratic Community of Hungarians in Vojvodina [VMDK] is willing to conduct a dialogue with the new Serbian Government on the situation of the Hungarian national minority. This emerges from the letter which Andras Agoston, president of the interest-protection organization, sent to Nikola Sainovic, the recently elected new Serbian premier. In his program speech, Sainovic called on the representatives of the national minorities in Serbia for a dialogue. The presidium of the VMDK, approving of the initiative, proposed that the first official talks focus on the issue of the war propaganda directed against the Hungarians of Vojvodina as well as the quiet ethnic cleansing which can be detected in several areas.

The forceful and illegal mobilization of Hungarian reservists, by which, for the purpose of deterrence, criminal proceedings are launched against those refusing to be called up, is the most dangerous form of quiet ethnic cleansing. Numerous examples can be cited to show that the Serbian authorities, by such measures, as well as by effectively supporting the press and television, have launched a new wave of emigration of ethnic Hungarians.

Apart from this, the VMDK Presidium cautioned that, because of discriminatory measures experienced in employment, especially in social activities, some schools teaching national minorities in the mother tongue has also become questionable.

Hungarian Party Condemns 'Antiminority Measures'

LD2202215593 Budapest Kossuth Radio Network in Hungarian 2100 GMT 22 Feb 93

[Text] The Democratic Community of the Hungarians of Vojvodina [VMDK] condemns the anti-minority measures of the Serb government.

The organization points out that the parliament of Belgrade has enacted 17 laws between the two elections, restricting or abolishing the most important minority rights. The VMDK Presidium thinks that the Hungarian press of Vojvodina is financially on the verge of bankruptcy, and the publication of newspapers is only possible with the help of the Hungarian state.

Croats Persist in Demand for Cultural Autonomy

LD2202194893 Zagreb Radio Croatia Network in Serbo-Croatian 1800 GMT 22 Feb 93

[Report by Ivo Kujundzic]

[Text] The Vojvodina Croats are not giving up their demand for cultural autonomy in spite of the Serbian media campaign against them aimed at ethnically cleansing this province, Bela Tonkovic, chairman of the Democratic Alliance of Vojvodina Croats [Demokratski Savez Hrvata Vojvodina—DSHV], said today.

Mr. Tonkovic also refuted articles in the Belgrade VECERNJE NOVOSTI and other Serbian papers, according to which the DSHV is allegedly an illegal terrorist organization, which together with the Democratic Community of Vojvodina Hungarians wants to change borders. He stressed that the DSHV submitted its demand for cultural autonomy of the Croats in Serbia to the Serbian Assembly as far back as 4 June 1991, but has received no reply so far. For that reason, the Vojvodina Croats have made their difficult position known to the international community. In their policy of achieving their ends by peaceful and democratic means, they have received support from all international organizations dealing with the issue of minority rights, Bela Tonkovic concluded.